FINANCIAL TIMES

Italy

Urgent need for an open market

Page 13

Future fuels

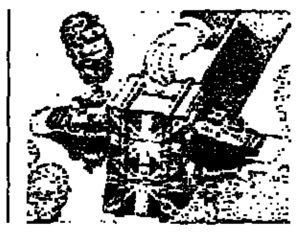
Accolades for reformulated petrol

Page 24

Iran

US divided over stance

Page 8



Today's surveys

FT Exporter
Battery Industry

Separate sections

World Business Newspaper http://www.FT.com THURSDAY APRIL 17 1997

EU to map out rules for single 'cyber market'

The European Commission plans to create a single market in the "cyber economy" to help curb fraud and boost investment in the EU's electronic commerce sector. Credit card transactions and electronic share trading would come under the protection of EU rules if member states backed the proposals. Page 14

Liffe, the London derivatives exchange, announced the launch of new futures and options on medium term German government bonds in what it hopes will be a significant blow to its continental European competitors in the battle to dominate derivatives trading under a single currency. Page 14

Canada to reopen cod grounds: Canada plans to reopen some of its east coast cod-fishing grounds after a four-year moratorium aimed at reviving stocks. The ban forced the closure of fish processing plants in Canada, throwing 30,000 people out of work, and fuelled tensions with the European Union over fishing in the Grand Banks of Newfoundland. Page 28

Lyonnaise des Eaux of France has been awarded a 30-year contract from Casablanca city council in Morocco to distribute water and electricity, concluding more than two years of negotiations. Page 5

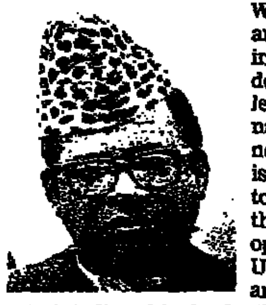
US factory output rises: US industrial production showed another sharp increase, further evidence that the sizzling pace of economic expansion is continuing. The Federal Reserve reported output from US factories, mines and power stations rose by a seasonally adjusted 0.9 per cent in March, following a 0.6 per cent rise in February. Page 7

Pharmacia & Upjohn, the US-Swedish healthcare company, ruled out selling any of its businesses to focus more closely on prescription drugs. The declaration is likely to confound the hopes of many investors who in six months have seen two profits warnings and the ousting of chief executive John Zabriskie. Page 15

Ford doubles quarterly profits: Ford Motor more than doubled first quarter net profits from $653m last year to $1.47bn. Earnings per share went from $0.53 to $1.20 as cost-cutting efforts made an impact. Page 15

Japan examines Nippon Credit Bank: Japan's finance ministry launched an inspection of the troubled Nippon Credit Bank, a move which will result in the first up-to-date external assessment of the group's bad loans. Interest has been fuelled by the announcement that NCB plans a tie-up and small cross-shareholding agreement with Bankers Trust, the US group, after its recapitalisation. Page 15

Opposition fears bloody exit by Mobutu



Western governments and opposition leaders in Zaire fear that President Mobutu Sese Seko, left, intends to eliminate his political opponents in Kinshasa if he is forced to surrender to the rebel advance on the capital. The main opposition party, the Union for Democracy and Social Progress, said it believed its leader Etienne Tshisekedi headed the list of potential victims. Page 14

HK leader shuns US visit: Hong Kong's future leader Tung Chee-hwa will not visit the US before the territory's return to China in July, in spite of increased concerns in the US about the handover. Tung had previously signalled he would travel to the US to reassure politicians and the business community. Page 6

Matsushita, the world's largest consumer electronics group, is to introduce a multi-tier pay structure in a break from tradition. From next April, recruits can choose normal pay or one of two options providing higher basic salary in return for giving up retirement allowances and fringe benefits. Page 6

Hungary to pay Olympic winners: Hungary enacted a law rewarding its Olympic champions with a lifelong monthly payment equivalent to the national average salary. The payout is for resident Hungarians over the age of 36 who have gold medals from summer or winter Olympics, won individually or in teams.

FT.com: the FT web site provides online news, comment and analysis at http://www.FT.com

STOCK MARKET INDICES

New York lunchtime		
Dow Jones Ind Av	6602.91	(+14.85)
NASDAQ Composite	1206.43	(-6.45)
Europe and Far East		
CAC40	2620.97	(+0.34)
DAX	3353.45	(+25.77)
FTSE 100	4294.6	(+7.8)
Nikkei	18,031.20	(+97.61)

US LUNCHTIME RATES

Federal Funds	$5\frac{1}{2}$%
3-mth Treas Bills: Yld	5.29%
Long Bond	$93\frac{15}{32}$
Yield	7.120%

OTHER RATES

UK: 3-mo Interbank	$6\frac{11}{32}$%	(same)
UK: 10 yr Gilt	$97\frac{9}{32}$	($97\frac{3}{32}$)
France: 10 yr OAT	98.40	(98.54)
Germany: 10 yr Bund	101.05	(101.24)
Japan: 10 yr JGB	106.0611	(105.951)

NORTH SEA OIL (Argus)

Brent Dated	$17.295	(17.535)

GOLD

New York: Comex		
Apr	$341.1	(341.7)
London:		
close	$340.35	(341.95)

DOLLAR

New York: lunchtime		
£	1.624	
DM	1.72825	
FFr	5.8122	
SFr	1.471	
Y	125.65	
London:		
£	1.6221	(1.6254)
DM	1.7286	(1.7339)
FFr	5.8121	(5.8309)
SFr	1.47	(1.4713)
Y	125.8	(126.335)
Tokyo close:	Y 128.35	

STERLING

DM	2.804	(2.8183)

16

9 770174 736142

Austria Sch30; Bahrain Din1.300; Belgium BFr75; Cyprus C£1.30; Denmark DKr20.00; Estonia EKr34.00; Finland FM10.00; France FFr12.00; Gibraltar £0.75; Greece Dr450; Hungary Ft240; Iceland IKr252; Jordan JD1.75; Kuwait Fils750; Latvia Ls L65; Lithuania Lit21.00; Luxembourg LFr75; Morocco Dh14.00; Netherlands Fl4.75; Nigeria N128.00; Norway NKr22.00; Oman OR0.75; Poland Zł 7.50; Portugal (m'land) Esc265; Qatar QR13.00; S.Arabia SR13.00; S.Africa R12.00; Spain Pts250; Sweden SKr22.00; Syria SP 80.00; Turkey [illegible]; UAE Dh13.00

Tobacco talks boost stocks

$300bn the price of legal immunity

By Richard Tomkins in New York and Ross Tieman in London

Tobacco stocks shot up in New York yesterday on hopes that the litigation threats facing the industry could be lifted.

The tobacco companies, besieged by lawsuits, have started secret talks with anti-tobacco lobby lawyers about a plan that would give them immunity from litigation in return for payments of up to $300bn over the next 25 years.

If the plan were to go ahead, the industry would have to accept tough advertising curbs and drop its challenge to regulation by the US Food and Drug Administration. The money would go into a compensation fund for smokers with a percentage going to the lawyers.

Shares in Philip Morris were up $3⅛ at $42 in early trading yesterday, a rise of 8 per cent. Shares in RJR Nabisco were up $3⅛ at $33⅝, a rise of 10 per cent.

Participants stressed that talks were at an early stage and could easily collapse because of the gulf separating the two sides. A deal would also require an Act of Congress, likely to provoke intense political controversy.

A group of Democratic members of Congress sent a letter to President Bill Clinton urging him to "maintain a healthy scepticism" toward any proposed settlement.

The talks are understood to involve representatives of Philip Morris and RJR Nabisco, the top two US tobacco companies; the attorneys-general of several states; and the Campaign for Tobacco-Free Kids, a coalition of public health advocacy groups.

Mr William Novelli, president of the Campaign for Tobacco-Free Kids, said: "There is no deal at this time. These are discussions, but there is many a mile to go.

"At the appropriate time, if there is something on the table, it is going to have to be reviewed by the public health community and by Congress, and certainly public opinion is going to weigh in on it."

Campaigners would argue that the tobacco industry would be better off with such a deal than if it were left to the mercy of the courts.

Analysts say the industry could raise $10bn a year by putting 40 cents on the price of a pack of 20 cigarettes without sales being hit too badly. Public opinion may also be

Editorial comment, Page 13
Lex, page 14
Philip Morris results, Page 20

Police recommend indictment of Netanyahu over top appointment

Israeli PM will fight scandal claims

By Judy Dempsey in Jerusalem

Israeli police have recommended that Mr Benjamin Netanyahu, the prime minister, be indicted in a scandal over a top government appointment which could bring down his administration.

Mr Netanyahu's lawyer last night said he would challenge the recommendations in the police report.

But police believe they have enough evidence to indict Mr Netanyahu as well as Mr Avigdor Lieberman, his closest adviser, Mr Tzahi Hanegbi, the justice minister, and Mr Arieh Deri, head of Shas, a member of the government's coalition.

The report follows the end of a three-month investigation into an alleged conspiracy and breach of trust over the short-lived appointment of Mr Roni Bar-On as attorney general.

The development came as new hopes arose for an end to the stand-off between Israelis and Palestinians over housing development in Arab east Jerusalem and settlements in the West Bank.

A surprise meeting in Malta yesterday between Mr Yassir Arafat, the Palestinian leader, and Israel's foreign minister Mr David Levy was the first high-level contact between the two sides since the peace process ground to a halt a month ago.

Palestinian leader Yassir Arafat (left) and Israel's foreign minister David Levy during their meeting yesterday Picture: Reuter

Mr Miguel Angel Moratinos, Europe's special Middle East envoy, described the talks as "a very good first step" towards bringing Israel and the Palestinians back from the brink.

Mr Dennis Ross, the US Middle East mediator, was last night due to meet Mr Netanyahu in Jerusalem and Mr Arafat in Gaza, in an attempt to find a new formula to save the Oslo peace accords.

Participants in the Malta meeting agreed it was now up to Washington to produce a formula to get the peace process back on track.

Israeli-Palestinian negotiations and security co-operation were broken off after Mr Netanyahu, under political pressure at home, started building the settlement of Har Homa in south-east Jerusalem. The move re-ignited Palestinian unrest and hostility to the Oslo accords.

Meanwhile, the police submitted its 995-page officially sanctioned report to Mrs Edna Arbel, the state attorney, who will decide whether to serve indictments.

Last night she ordered the police to make its report public. The case concerns Mr Deri who allegedly pushed for the appointment of Mr Bar-On as the attorney general in return for a plea bargain. In addition, acceptance of that appointment was conditional on Shas' support for last January's Israeli troop withdrawal from the West Bank city of Hebron.

Whether or not Mrs Arbel serves indictments, members of the Labour opposition believe the government has been tainted by corruption.

Morgan Grenfell fund arm fined $3.2m in Young case

By William Lewis, Investment Correspondent

Imro, the UK fund management watchdog, yesterday levied the highest fine by a City of London regulator on Morgan Grenfell Asset Management, one of the leading asset management groups in Britain.

Mr Phillip Thorpe, chief executive of Imro, announced that MGAM was being fined £2m ($3.2m) for several breaches of its rules, including failing to stop Mr Peter Young, one of its star managers, making hidden investments with customers' money. MGAM will have to pay £1m for costs of Imro's investigation.

Several executives, including Mr Young, were dismissed last autumn when it was discovered he had been inflating the value of funds under his control by investing in unlisted shares.

Dealings were suspended in three UK-based investment funds that held £1.4bn for 90,000 investors. Last month Deutsche Bank, Germany's biggest bank and owner of MGAM, disclosed that the scandal could cost it up to £430m, including £180m spent supporting the unit trusts and up to £200m on compensation for investors.

"The mismanagement of these funds has caused unnecessary concern to an enormous number of investors," Mr Thorpe said. "The complexity and volume of this case requires that a very clear message is sent out."

MGAM said it had addressed the failings identified by Imro and had put in place arrangements for paying compensation to investors.

Imro's report details several breaches of its rules by MGAM. It criticises MGAM for failing to prevent its funds "from making inappropriate investments in certain holding companies used to circumvent the regulations".

MGAM failed to notify Imro of problems relating to the management of European Growth, one of its funds, despite concerns reported to "at least one member of the board of MGAM, by no later than April 1996".

Mr Thorpe said MGAM had "paid dearly as a consequence of inadequate management control. The affair plainly illustrates the dangers of ignoring clear and repeated warnings".

Imro says MGAM "did not organise and control its internal affairs to ensure that its funds were properly managed in accordance with relevant unit trust regulations, prospectus investment restrictions and investment guidelines".

Imro is continuing with its investigation into the dismissed executives. The Serious Fraud Office, the UK body responsible for probing large financial crime, said its investigation into the alleged fraud was "on-going".

Britain protests at China's Hong Kong legislation

By Peter Montagnon, Asia Editor, in London

Britain protested to China yesterday over its decision to enact new laws for Hong Kong through its provisional legislative council before the handover at midnight on June 30.

The protest comes amid growing concern about the role of the legislature in framing laws on controversial issues including civil liberties and right of abode.

Mr Wang Qiliang, the second-ranking Chinese diplomat in London, was summoned to the foreign office to receive the protest after the provisional body on Saturday gave a first and second reading to a bill on public holidays in the territory.

This is the first time China's appointed council, which met in Shenzhen, just north of Hong Kong, has begun handling actual legislation. Though the issue of public holidays is trivial in itself, Britain believes the move has raised an important point of principle.

"There is only one constitutional legislature with the power to legislate in Hong Kong and that is the existing legislative council," the foreign office said.

Any laws passed by the provisional body before the handover would be vulnerable to legal challenge and undermine efforts to achieve a smooth and successful transition for Hong Kong, the foreign office added.

Efforts to reach a bilateral agreement on who should have right of abode in Hong Kong after the handover broke down irretrievably this week because of China's insistence that the implementing legislation be passed by its provisional body before the handover.

Britain had offered to allow the colonial administration to prepare and publish a bill which could be passed by the provisional body after July 1. This was a substantial conces-

Continued on Page 14
Clinton challenge, Page 6

This announcement appears as a matter of record only

£104,200,000

MANAGEMENT BUY-IN

OF

Warrior Group

Trading as NAAFI Financial Services

Structured, Led and Equity Underwritten by

HSBC Private Equity

Adviser to Warrior Group

Deloitte & Touche Corporate Finance

Securitisation and working capital facilities arranged and underwritten by

NatWest Markets

Legal Advisers

Dibb Lupton Alsop
Berwin Leighton
Weil, Gotshal & Manges

HSBC Private Equity
Member HSBC Group

HSBC Private Equity Europe Limited
Vintner's Place, 68 Upper Thames Street, London EC4V 3BJ
Tel: 0171 336 9955 Fax: 0171 336 9961
REGULATED BY IMRO

CONTENTS

© THE FINANCIAL TIMES LIMITED 1997 No 33,267 †

LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO · HONG KONG

Waigel hints at smaller tax take

By Peter Norman in Bonn

Germany could face a bigger than expected shortfall in tax revenues this year, according to Mr Theo Waigel, finance minister.

But he also reaffirmed that the public-sector deficit forecast was still 2.9 per cent of gross domestic product and so within the limits set by the Maastricht treaty for joining a European single currency.

Giving evidence to the Bundestag finance committee yesterday, he said he "could not rule out" a tax shortfall higher than the DM8bn ($4.7bn) identified by the government at the end of January and incorporated into its annual forecast for 1997. But he rejected a DM20bn figure calculated by the opposition Social Democrat party.

The government's working group of tax experts is due in mid-May to produce estimates for tax revenues for this year and 1998. The date has been seized on by financial markets as the moment when it should become clear whether Germany will qualify for economic and monetary union.

Tax revenues have been depressed in several federal states this year. But Mr Waigel pointed out that there had been changes to tax law that made comparisons with 1996 difficult and which would make revenue trends unclear for the first two quarters of this year.

He also defended the official forecast of 2.5 per cent growth as "realistic" in the light of government action last month to boost growth with a programme of DM25bn of low interest loans to help the construction sector. But he pointed out that there would be a better chance of reaching the growth target if plans for reforming corporation and income tax systems were approved.

The reforms, which envisage sharply lower rates of direct taxation in return for a widespread reduction in tax privileges, are currently being negotiated with the SPD which controls the second chamber of parliament.

Mr Waigel said the reforms could, if approved, trigger strong investment growth this year because companies would have an incentive to take advantage of generous depreciation rules that are due to be phased out, while looking forward in later years to paying lower taxes on the profits from the investments.

An early agreement on tax would also be "colossally positive abroad" because foreigners were deterred by high tax rates from investing in Germany, the minister said.

Mr Waigel's call for progress on tax reform was backed yesterday by the economics ministry, which said uncertainty over the future shape of the tax and social security systems could be holding up investment in Germany.

In its latest monthly report, the ministry noted investments were depressed compared with earlier recoveries, despite strong export demand. But the latest statistics pointed to a continuation of economic growth.

Waigel: 'could not rule out' tax shortfall this year

France to sharpen up space business

By David Owen in Paris

The French government is considering restructuring Arianespace, the world's biggest commercial satellite-launching organisation, to make it more commercial.

Plans are likely to include reducing the 32 per cent stake in the 53-company consortium held by the French space agency.

Mr François Fillon, space minister, said in an FT interview the aim was to "build a structure that was more market-oriented, more economic, more industrial, less public". But nothing was likely to happen before the second launch of the new Ariane 5 rocket, scheduled for September, and would be handled with extreme care. "It is a question more of embroidery than of axe-work," he said.

Government concerns about handling the restructuring are thought to underlie its preference for Mr Jean-Marie Luton, director-general of the European Space Agency, as the next chairman of Arianespace.

Its choice sparked an argument with European aerospace executives after Mr Francis Avanzi, who had been due to take over the job in July, was told last month he would not now do so.

The appointment is to be discussed at today's Arianespace administrative board meeting.

French companies own 55.5 per cent of Arianespace, German 18.6 per cent, Italian 8.1 per cent, Belgian 4 per cent and British 3 per cent.

The company, which has more than 50 per cent of the world's commercial satellite-launching market, faces increasing competition, not only from US rivals such as Boeing and Lockheed Martin but also from Russia, China and Japan. As Mr Fillon acknowledged: "The battle will be much tougher in the next two years."

EUROPEAN NEWS DIGEST

Albania rebel talks attacked

A mission to Albania by the Organisation for Security and Co-operation in Europe was criticised by President Sali Berisha's rightwing Democratic party (DP) yesterday for holding talks with rebel leaders. It said conditions for elections did not exist. A day after Italian and French troops landed in the port of Durres to secure aid convoys, Mr Belul Celo, interior minister and DP member, told Mr Franz Vranitzky, the former Austrian chancellor leading the mission, that rebels controlling much of southern Albania were a "serious obstacle" to restoring order.

Mr Berisha agreed last month to hold elections by the end of June and allow the opposition Socialist party to form a coalition government of national reconciliation. The rebels demand Mr Berisha's resignation. Mr Vranitzky, who will visit the rebel-held town of Vlore today, said dialogue was needed. *Guy Dinmore, Tirana*

Yeltsin names new minister

President Boris Yeltsin has named Mr Mikhail Fradkov as minister for foreign trade and economic relations in place of Mr Oleg Davydov, Russian news agencies reported. Mr Fradkov was formerly deputy minister. Mr Alexander Pochinok, a liberal MP, has also been named to head the state tax service.

The changes virtually complete a far-reaching government reshuffle which gave reformers like Mr Anatoly Chubais and Mr Boris Nemtsov senior jobs in the administration. One of the government's biggest tasks is the need to improve dismal tax revenue and to pay overdue pensions and salaries. *Reuter, Moscow*

TV deadlock in Italy

Efforts by Italy's centre-left government to broker agreement with the rightwing opposition in a Senate parliamentary commission on new legislation controlling the number of television channels reached deadlock yesterday. The government said that after months of discussion it had no alternative but to let the issue be debated without prior agreement in the open house. The proposed legislation also includes measures to establish a telecoms regulatory authority.

The deadlock has been caused largely by the rightwing opposition seeking to impose conditions that would protect the TV interests of their leader, Mr Silvio Berlusconi. A deadline ran out last December for completing legislation to comply with a court decision obliging Mr Berlusconi to shed one of his three Mediaset channels. A six month delay was agreed.

■ Italian petrol pumps were closed yesterday for a 36-hour protest by their operators against a new pricing policy by Eni, the state-controlled oil group, and fears of redundancies. *Robert Graham, Rome*

Digital future opens up

Italy's state-owned broadcasting organisation, the Rai, and Stet, the treasury-controlled telecoms group, have reached an agreement which should enable the development of common digital standards for transmission and reception via satellite and cable.

The aim is to match up the Rai's television know-how with Stet's in the telecoms field to develop what the two define as a "strategic partnership". *Robert Graham*

Italian business, Page 13

Bavaria charges CompuServe chief over Internet pornography

By Frederick Stüdemann in Berlin

Bavarian state authorities yesterday charged the managing director of the German division of CompuServe, an online services company, with providing access to pornographic and racist material on the Internet.

The indictment is the first of its kind to go to court in Germany, where the authorities in several states have taken a close interest in the subject.

The Bavarian state prosecutors office, which has been investigating CompuServe for more than a year, said it believed Mr Felix Somm had violated laws on youth protection and racism.

He is accused of allowing the distribution of banned material even though he had "technical and organisational measures" available to prevent this.

In response to initial investigations of CompuServe carried out by the Bavarian prosecutors office at the end of 1995 – when the company's Munich offices were raided by officials – access to Internet "news groups" known for their pornographic or racist content was closed off.

The charges relate to these investigations but the authorities also claim that CompuServe is still breaking the law by providing access to computer games which celebrate violence and, in one case, include pictures of Adolf Hitler and swastikas, images which are banned under German law.

Mr Hans-Werner Moritz, a lawyer acting for Mr Somm, said yesterday it was wrong to make his client responsible for these games as they originated from CompuServe's headquarters in the US. Mr Somm was not able to prevent their distribution, Mr Moritz said.

The case against Mr Somm goes to the heart of a dispute about responsibility for content distributed on the Internet.

Online services companies, which provide subscribers with access to the Internet, say they cannot be held responsible for content.

Proposals for a law which would recognise this position are being debated in the German parliament.

Mr Moritz said he was surprised the investigation had led to an indictment. Similar investigations in other states have been dropped, either because of legal uncertainties or in anticipation of changes in the law.

Mr Moritz suggested the case had a political dimension. Bavaria, which is governed by the conservative Christian Social Union, has opposed the spread of obscene material on the Internet.

FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 3 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address.
GERMANY:
Responsible for Advertising content: Colin A. Kennard. Printer: Hürriyet International Verlagsgesellschaft mbH, Admiral-Rosendahl- Strasse 3a, 63263 Neu Isenburg ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
FRANCE:
Publishing Director: P. Maraviglia, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 5376 8254, Fax (01) 5376 8253. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.
SWEDEN:
Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvällstidningen Expressen, PO Box 6007, S-550 06, Jönköping.
© The Financial Times Limited 1997.
Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
R

REPUBLIC NEW YORK CORPORATION
SAFRA REPUBLIC HOLDINGS S.A.

Consolidated Statements of Condition
and Summaries of Results

These statements and summaries represent the consolidated accounts of Republic New York Corporation and its wholly owned subsidiaries and of Safra Republic Holdings S.A. and its wholly owned subsidiaries. Republic New York Corporation owns 49.1% of Safra Republic Holdings S.A., which is accounted for by the equity method.

	REPUBLIC NEW YORK CORPORATION March 31,		SAFRA REPUBLIC HOLDINGS S.A. March 31,	
	1997	1996	1997	1996
	(in thousands of US$ except per share data)			
Assets				
Cash and due from banks	$ 687,383	$ 747,767	$ 77,119	$ 36,176
Interest-bearing deposits with banks	4,917,490	6,003,656	6,508,929	5,777,815
Precious metals	1,268,801	1,145,745	—	—
Investment securities	22,799,972	19,301,429	8,583,646	7,956,072
Trading account assets	5,572,868	3,580,673	245,338	139,025
Federal funds sold and securities purchased under resale agreements	1,420,216	890,924	—	—
Loans, net of unearned income	12,286,082	11,062,712	2,002,457	1,423,509
Allowance for possible credit losses	(352,667)	(339,209)	(131,436)	(129,537)
Other assets	6,368,728	4,750,562	711,379	473,443
Total assets	$ 54,968,873	$ 47,144,259	$ 17,997,432	$ 15,676,503
Liabilities				
Total deposits	$ 31,918,795	$ 29,106,509	$ 14,013,184	$ 12,077,857
Trading account liabilities	4,975,494	3,157,109	187,375	93,215
Short-term borrowings	5,896,133	4,053,311	1,564,058	1,367,562
Other liabilities	4,795,581	3,892,478	372,386	472,332
Long-term debt	1,437,973	1,499,037	155,000	175,000
Subordinated long-term debt and perpetual capital notes	2,400,000	2,406,463	—	—
Manditorily redeemable preferred securities	350,000	—	—	—
Shareholders' Equity				
Cumulative preferred stock	400,000	575,000	—	—
Common stock and surplus, net of treasury shares	734,694	843,891	891,129	889,232
Retained earnings	1,990,597	1,702,801	690,289	601,076
Net unrealized appreciation (depreciation) on securities available for sale, net of taxes	69,606	(92,340)	124,011	229
Total shareholders' equity	3,194,897	3,029,352	1,705,429	1,490,537
Total liabilities and shareholders' equity	$ 54,968,873	$ 47,144,259	$ 17,997,432	$ 15,676,503
Book value per share	$ 51.32	$ 44.03	$ 96.67	$ 84.65
Client portfolio assets held in custody			$ 13,995,184	$ 7,369,467
Net income, for the year ended	$ 110,244	$ 99,592	$ 57,198	$ 44,019
Net income per common share (primary)	$ 1.89	$ 1.64	$ 3.24	$ 2.50
Average common shares outstanding (primary)	54,809	56,021	17,642	17,608

Risk-Based Capital Ratios

As of March 31, 1997, Republic New York Corporation's risk-based core capital ratio was 12.70% (estimated) and total qualifying capital ratio was 21.40% (estimated). The ratios include the assets, risk-weighted in accordance with the requirements of the Federal Reserve Board specifically applied to Republic New York Corporation on a fully consolidated basis, and capital of Safra Republic Holdings S.A. Total consolidated assets under these requirements exceeded US$ 70 billion and total consolidated capital, including minority interest and subordinated debt, was approximately US$ 7 billion.

Republic New York Corporation
Fifth Avenue at 40th Street
New York, New York 10018

Safra Republic Holdings S.A.
32, boulevard Royal
L-2449 Luxembourg

Banking Locations
New York • Geneva • London • Beijing • Beirut • Beverly Hills • Buenos Aires • Cayman Islands • Copenhagen • Encino • Gibraltar • Guernsey
Hong Kong • Jakarta • Los Angeles • Lugano • Luxembourg • Manila • Mexico City • Miami • Milan • Monte Carlo • Montevideo • Montreal
Moscow • Nassau • Paris • Punta del Este • Rio de Janeiro • Santiago • Sao Paulo • Singapore • Sydney • Taipei • Tokyo • Toronto • Zurich

FT
FINANCIAL TIMES
Conferences

Zambia
Investment
Opportunities
Conference

Taj Pamodzi
Hotel
Lusaka

14 & 15 May
1997

Zpa

ZAMBIA INVESTMENT OPPORTUNITIES CONFERENCE

Zambia's privatisation programme has already been heralded as the most successful in Africa with foreign direct investment having trebled over the last three years. FT Conferences, in association with the Zambia Privatisation Agency and the Zambia Investment Centre, is holding a one-and-a half day meeting in Lusaka, providing an ideal opportunity to learn about specific opportunities for potential investors resulting from the privatisation process. In addition to the formal conference programme, there is also the opportunity for private meetings with representatives from government ministries, local business and other institutions.

Confirmed Speakers Include

THE HON FREDERICK T J CHILUBA
President of the Republic of Zambia

THE HON RONALD D S PENZA MP
Minister of Finance and Economic Development

MR VALENTINE CHITALU
Chief Executive
Zambia Privatisation Agency

MR G CLIVE NEWALL
President
First Quantum Minerals Ltd

THE HON DR ROLF LÜDERS
Former Minister of Economy and Finance, Chile

MR G NICHOLAS SELBIE
Managing Director
CDC Investments

MR TODD ANDERSON
Director of Business Development
Cyprus Amax Minerals Company

MR RORY SIMPSON
Managing Director
Lever Brothers Zambia Limited

DR BWALYA K E NG'ANDU
Director General
Zambia Investment Centre

THE HON ALFAYO S HAMBAYI
Minister of Commerce, Trade and Industry

The organisers reserve the right to alter the programme as may be necessary

To facilitate the participation of international organisations, attendance at the conference is free of charge to overseas delegates

AFROX
BP
BARCLAYS
CAVMONT Merchant Bank Limited
Coopers &Lybrand
FINANCE BANK
Price Waterhouse
WTS LIMITED
Zambia Sugar Plc

To register NOW please fax this form to us on: (+44) 171 896 2696/2697

Zambia Investment Opportunities Conference 14 & 15 May 1997
Mr/Mrs/Miss/Ms First Name
Surname
Position
Company/Organisation
Address
City
Postcode Country
Tel Fax
Type of Business
Data Protection Act. The information you provide will be held on our database and may be used to keep you informed of our, and our associated companies' products, and for third party mailings.

☐ Please send me further details regarding the Zambia Investment Opportunities Conference

☐ Please reserve me a place at the Zambia Investment Opportunities Conference 153478

Please complete this form and return it to us:

BY FAX (+44) 171 896 2696/2697

BY POST FT Conferences
Maple House
149 Tottenham Court Road
London W1P 9LL
UK
Tel: (+44) 171 896 2626

Brussels to amend bank capital rules

By Emma Tucker in Brussels

The European Commission yesterday unveiled proposals which will cut the amount of capital banks should hold to cover the risk of their loans not being repaid.

The proposals, which update the capital adequacy directive, would allow banks to use more sophisticated methods when calculating how much capital they need set aside, enabling them to use their capital more efficiently and compete more effectively against non-EU companies which enjoy lower capital requirements.

The draft plan, to be presented to member states later this year, would bring EU laws on bank supervision into line with international supervisory rules, amended recently by the Bank of International Settlements in Basle.

Under the proposed rules, banks would be permitted to use their own internal computer models to calculate their risk exposure. National regulatory authorities will oversee the models to ensure they are adequate.

According to Mr Mario Monti, the internal market commissioner, this would allow companies to "tailor" their needs "while not going back on security".

"Capital adequacy requirements will be less cumbersome in many cases because the use of internal risk models will be geared to the individual institutions," he said. "It is simply a more efficient way for the individual institutions and for the economy as a whole to obtain the necessary protection against risk."

The proposals should have been adopted last year, but progress was delayed because of a dispute with the British over whether firms specialising in commodity derivatives should be covered by the directive.

The British Treasury argues that commodity trading should be exempted as different types of commodity require different types of capital adequacy rules, reflecting sharply differing volatilities.

As a compromise the rules will be extended to such specialised sellers but only after a transitional period of two years.

During the breathing space investment firms dealing in commodities and commodity derivatives will be allowed to use existing approaches to measuring risk while they upgrade their risk management systems in order to be able to use internal models.

"I believe that I have persuaded the British authorities that we had to go along with a system eventually embracing this particular segment," said Mr Monti, pointing out that the dispute only concerned a handful of specialised securities houses.

Adoption of the proposals by the Commission is likely to come as a relief to most banks which have been keen to see the existing EU rules updated as soon as possible.

The multiplexes multiply

Alice Rawsthorn reports on Europe's hunger for new cinemas

Bulldozers will soon arrive at a building site in Helsinki to start work on what will become Finland's biggest cinema. At about the same time, a construction crew will descend on a site in Birmingham to build Britain's largest cinema – but with only 30 screens compared with the 40 in Helsinki.

Similar developments are under way all over Europe, with hundreds of new cinemas planned by the end of the decade.

The catalyst for this sudden surge of cinema-building is the belief that there are not enough cinemas in Europe or, more specifically, not enough clean, modern ones that offer a wide choice of films with decent food and drink.

Since the early 1980s, North America has gained hundreds of new multiplexes, with more than five screens, and megaplexes, with more than 12. But the number of cinema screens in continental Europe fell from 26,628 in 1980 to 18,682 in 1995, according to Dodona, the research consultancy.

Scores of multiplexes have recently been built in the UK, France and Germany. Dodona estimates that the number of German screens rose from 3,269 in 1990 to 3,861 in 1995. Yet these countries are still underdeveloped by North American standards and, until recently, there has been very little investment elsewhere in Europe.

Conversely the North American market is now regarded as mature, given that there is at least one megaplex in most cities. Hence many large US chains have turned their attention to Europe.

Warner Bros, the cinema-operating subsidiary of Time Warner, the US entertainment group, diversified into the UK eight years ago and now has 17 cinemas there, as well as eight in Germany, Spain and Portugal. It intends to open another 23 UK cinemas by the year 2000, including the 30-screen Birmingham megaplex, in a joint venture with Village Roadshow, the Australian media group. Warner Village plans to build another 275 multiplexes in other European countries, including Germany, France, and Italy, over the next three years.

> Operators are gambling they will recoup their investment from increased box office receipts

Warner Bros also proposes 15 multiplexes in Portugal and a 20-strong chain in Spain in conjunction with Lusomundo, the Portuguese media group. Meanwhile Village Roadshow has joined forces with Vardinoyannis, a Greek oil group, to build eight cinemas in Greece.

Other international operators have equally ambitious plans. AMC, the US chain, is rebuilding its European operation (it sold the first one several years ago) starting with a string of multiplexes in the UK.

UCI, a joint venture between Universal and Paramount, the Hollywood movie studio subsidiaries of the Seagram and Viacom groups, is building multiplexes in the UK, Germany, Spain and Austria. It also intends to diversify into Italy.

Local European operators are intent on expansion too. Virgin, Mr Richard Branson's leisure group, is considering extending its UK cinema chain into France, Italy and possibly other European countries. Heron International, the UK property group, has proposals for five multiplexes in France and Spain.

Sandrews, the Swedish film group, and Norway's Schibsted have formed a joint venture, Sandrews Metronome Theatres, to establish a pan-Nordic chain of cinemas. Its first project will be a 10-screen multiplex in Helsinki, which will compete against the 40-screen megaplex about to be built by Finnkino, Finland's largest cinema chain.

All these projects will be extremely expensive. Heron alone expects to spend at least £135m on the construction of its five French and Spanish cinemas. Operators are gambling that they will be able to recoup their investment from increased box office receipts.

North America sets an encouraging precedent as cinema attendance has risen there in the 20 years since the first multiplexes opened. Operators have also been able to charge higher ticket prices at multiplexes and megaplexes than at their old single screen cinemas.

Similarly, admissions have doubled in the UK since 1985 when the first multiplex opened in Milton Keynes. There are now 900 multiplex screens throughout the country, according to Dodona, which expects UK cinema attendance to rise from 130m last year to 180m in 2000, buoyed by the new openings.

Market saturation seems a distant prospect in Europe. And at present, the chief concern for most European operators seems to be ensuring that they, rather than their rivals, can take their pick from the limited supply of suitable sites.

TV law finds the off-switch

By Emma Tucker

The European Union yesterday agreed new broadcasting laws – but only the bare bones of grandiose ambitions to promote European culture over American sitcoms have survived.

The law envisages a free flow of television programmes across borders, but member states will still have the last word on their TV programming.

"All we ever wanted was a framework which worked," said one EU diplomat yesterday, glad to see the back of the notorious Television Without Frontiers directive. "The legislation was never supposed to be a mechanism for promoting certain types of broadcasting over others."

The result is that after more than two years of bickering, the EU will stick to existing voluntary restrictions.

These call on governments to devote at least 50 per cent of broadcasts to European-made programmes, but only "where practicable" – a loophole that has allowed countries to beam as much cheap Hollywood fare as they want.

This did not please the European parliament or linguistically-sensitive France. They wanted to make the quotas mandatory – a suggestion that in a blitz of Tinseltown lobbying was howled down by other member states, most loudly by Germany, the UK and the Netherlands.

Other amendments had more success.

A parliament proposal aimed at preventing major sporting or other events becoming the preserve of pay-TV channels is included in the legislation.

This means that member states will be allowed to write a list of events that they think citizens should be allowed to view free of charge.

The new law – expected to come into force in 1999 – also clarifies which member state has jurisdiction over a broadcaster.

In future jurisdiction will be defined as where a broadcaster has its headquarters.

But other amendments by the parliament – such as a call for "V-chips" enabling parents to control their children's viewing to be inserted into all new TV sets – were thrown out.

Instead the European Council – in conciliation with the parliament yesterday – has agreed to conduct a study of the advantages and disadvantages of the device.

Nonetheless, broadcasters will be required to warn viewers about programmes unsuitable for children.

Commissioner urges tighter state aid rules

By Emma Tucker

Large handouts of state aid to prop up ailing industries is putting in jeopardy the European Union's single market and its plans for economic and monetary union, according to Mr Karel Van Miert, the competition commissioner.

Presenting figures showing a rise in state aid in 1992-1994 in contrast to the decline of earlier years, Mr Van Miert said it was time to police state subsidies more rigorously.

His announcement came as the Commission said it had cleared the final tranches of a FFr20bn ($3.45bn) state aid package to Air France, and a Esc180,000m capital injection to Portugal's TAP.

EU rules do not permit state aid which distorts competition between companies operating inside the single market. But there are exemptions – such as where aid is used to restructure a company, or to boost an economically deprived area.

But in spite of the rules, member states – particularly the richest – have resorted to state aid to cushion the effects of economic downturns and global competition on domestic industry.

Such action has built up economic distortions between the wealthy countries of the Union and the poorer ones.

The share of state aid taken up by manufacturing industry in the four big economies – Germany, France, the UK and Italy – rose from 82 per cent in 1990-1992 to 85 per cent in 1992-1994. Over the same period, the poorest members – Greece, Portugal, Spain and Ireland – saw their share fall from 9.3 per cent to 8.3 per cent.

But these figures hide sharp differences. Germany tops the league in state aid to manufacturing industry with Ecu17bn ($19bn), most of which went to help restructure east German industry after unification.

West Germany received Ecu4bn, way behind Italy's Ecu11.5bn and France's Ecu6bn. Aid levels were lowest in the UK, Spain and the Netherlands.

Most noticeable is a large increase in the amount of aid spent on one-off rescues of individual companies, up from 7 per cent of the total in 1990 to 36 per cent in 1994.

Mr Van Miert proposed a series of remedies including:

- Establishing targets with member states and a timetable for cutting aid budgets.
- New guidelines for regional aid which would gradually reduce the intensity of aid in regions where the standard of living is not abnormally low or where there is no serious under-employment. This measure is intended to counteract the growing rift between the richer and poorer member states.
- Tightening the rules on aid for rescuing and restructuring companies in trouble.

State aid to manufacturing industry

Ecu per employee

	1990-92	1992-94
Belgium	3,015	1,773
Denmark	639	1,017
Germany	1,514	2,012
Old Länder	921	553
New Länder	5,415	11,610
Spain	605	571
France	1,114	1,350
Ireland	1,271	1,837
Italy	2,397	2,379
UK	439	279

Source: European Commission

Financial Solutions Worldwide.

March 1997
IHC CALAND
IHC Inc S.A.
US$ 250,000,000
Revolving Credit Facility
Arranger and Agent

February 1997
JAPAN FINANCE CORPORATION FOR MUNICIPAL ENTERPRISES
NLG 300,000,000
5.75% Bonds 1997 due 2007
Bookrunner

January 1997
CHINA OVERSEAS LAND & INVESTMENT LTD.
HK$ 1,528,222,500
Placement of 394,380,000 existing shares at HK$ 3.875 per share
Lead Manager and Bookrunner

January 1997
LAI SUN DEVELOPMENT COMPANY LIMITED
HK$ 1,980,000,000
Placement of 165,000,000 existing ordinary shares at HK$ 12.00 per share
Bookrunner and Lead Manager

December 1996
Koninklijke Pakhoed NV
ROYAL PAKHOED
NLG 150,000,000
Subordinated Loan Facilities
Arranger and Agent

December 1996
LIBERTEL
NLG 400,000,000
Term Loan Facility
Arranger and Agent

December 1996
ORMAT LEYTE CO LTD
The Philippines
US$ 49,763,955
Project Finance Facility
Arranger

December 1996
PolyGram
FILMED ENTERTAINMENT
US$ 300,000,000
Second Film Financing Facility
Arranger

December 1996
RENEL
US$ 160,000,000
Trade Finance Facility
Arranger and Agent

December 1996
SOCIÉTÉ DE DÉVELOPPEMENT DU COTON
FRF 200,000,000
Cotton Pre-Export Facility
Arranger and Agent

December 1996
WHC
WESTMINSTER HEALTH CARE HOLDINGS PLC
US$ 85,000,000
7.37% Senior notes due 2006
Arranger

December 1996
Wolters Kluwer
WOLTERS KLUWER NV
NLG 400,000,000
5.875% Subordinated Bonds 1996 due 2003
Bookrunner

December 1996
US$ 200,000,000
3% Convertible bonds due 2003 issue price: 100%
Financial Adviser and Global Co-ordinator

November 1996
MALAYSIA MINING CORPORATION BERHAD
US$ 117,000,000
International placement of 33,000,000 shares
Sole Agent

November 1996
JG SUMMIT PHILIPPINES LTD
US$ 200,000,000
Fixed Rate Notes
Lead Manager

October 1996
COCA-COLA AMATIL
CZK 2,000,000,000
Commercial Paper Programme
Issuing and Paying Agent

October 1996
GENERAL ELECTRIC CAPITAL CORPORATION
ESTABLISHED AT NEW YORK, U.S.A.
NLG 200,000,000
5% Bonds 1996 due 2001
Bookrunner

October 1996
PT DAYA GUNA SAMUDERA TBK
US$ 83,000,000
Initial Public Offering
Global Co-ordinator

August 1996
bluewater
BLUEWATER OFFSHORE PRODUCTION SYSTEMS LIMITED
US$ 198,000,000
Project Finance Facility
Arranger

August 1996
Thai Cars Ltd.
US$ 250,000,000
Secured Guaranteed Fixed Rate Notes
Arranger and Lead Manager

August 1996
Westland/Utrecht
NLG 5,000,000,000
(Increased from NLG 2,500,000,000)
Euro Medium Term Note Programme
Arranger and Dealer

August 1996
UNIWIDE HOLDINGS, INC.
US$ 163,000,000
Initial Public Offering
Global Co-ordinator

July 1996
PHILIPS
PHILIPS RECEIVABLE TRUSTS
US$ 150,000,000
Multi-Country Dual-Currency Export Securitization Programme
Arranger

April 1996
AKZO NOBEL
AKZO NOBEL N.V.
NLG 300,000,000
5.75% Bonds 1996 due 2001
Bookrunner

ING Bank NV is regulated by SFA for the conduct of business in the UK.

Through an international network which extends across the emerging markets and international financial centres we provide financial solutions worldwide. The impact of our international reach and local presence is reflected in our record of transactions. We offer a complete range of corporate banking, investment banking and treasury services. We are part of ING Group, the largest financial institution in the Netherlands. For more information, www.ingbank.com or fax 31.20.5635673.

ING BARINGS

ING BANK

NOTICE OF EARLY REDEMPTION

TELECOM ARGENTINA STET-FRANCE TELECOM S.A.
U.S.$200,000,000
9.00% Bonds Due 1997

Telecom Argentina Stet-France Telecom S.A. (the "Company") hereby notifies holders of the Company's 9.00% Bonds Due 1997 (the "Bonds") issued pursuant to an indenture dated as of August 4, 1992 among the Company and First Trust of New York, National Association, as successor Trustee to Morgan Guaranty Trust Company of New York, as Trustee thereunder (the "Indenture"), of its election to redeem the Bonds on May 22, 1997 (the "Redemption Date") pursuant to paragraph 3(c) of the Terms of the Bonds. Under the circumstances set forth herein, a holder of Bonds may elect not to surrender such Bonds for redemption. The Bonds clear through Euroclear and CEDEL under Common Code No. 3894665 (for Bearer Bonds) and 3894690 (for Registered Bonds) and through DTC (CUSIP no. 879273AA8). The ISIN numbers are XS0038946652 (for Bearer Bonds) and US879273AA88 (for Registered Bonds). Any capitalized terms used but not defined in this notice shall have the meanings assigned in the Indenture.

The Company's election to redeem the Bonds follows the enactment in Argentina of Federal Act 24,587 on November 21, 1995 (O.G. November 22, 1995) (as implemented by Decree 259/96 issued on March 18, 1996 (the "Act")). The Act provides, among other things, that outstanding bearer securities issued by Argentine companies shall be converted into registered form securities, and that failure to effect such conversion prior to May 22, 1996, will result in the imposition of additional taxes on payments of interest and other amounts payable with respect to the Bonds, and the suspension of the existing exemption from withholding taxes in respect of interest paid on Bearer Bonds. Pursuant to Decree 547/96, the effective date of the Act with respect to the Bonds has been delayed until May 23, 1997. The Company has delivered to the Trustee a certificate of the Company and an opinion of an independent auditor of the Company certifying that the Company would be obligated to pay Additional Amounts due to a change in Argentine tax laws, the text of which certificate and opinion are set forth below. Accordingly, the conditions precedent to a redemption of the Bonds have occurred. Holders of Bonds may elect not to surrender such Bonds for redemption on the condition that (a) the Republic of Argentina (or any political subdivision thereof or therein having the authority to tax or grant relief from tax obligations) shall have taken a final action which shall result in the Act ceasing to be in effect with respect to the Bonds (whether by abrogation, extension or other relief) which has been notified to the holders in the manner contemplated by the Indenture and (b) the holder of Bonds shall, prior to 5 p.m., Eastern Standard Time on May 20, 1997, provide the Company and First Trust of New York, National Association, Trustee under the Indenture, with a written notice in the form requested by the Company, which form shall be delivered to the Trustee by the Company to be available upon request by the holders, to the effect that such holder waives its right to redeem and will not surrender such Bonds for redemption, but rather will hold such Bonds to their stated maturity (an "Election to *Hold*").

On the Redemption Date, the Bonds will be paid as specified herein:

In accordance with the terms of the Indenture, the redemption price shall be 100% per U.S.$1,000 principal amount of Bonds, representing the principal amount of the Bonds, together with accrued interest to the Redemption Date in the amount of U.S. $27 per U.S. $1,000 principal amount of Bonds. On and after the Redemption Date interest on the Bonds shall cease to accrue, other than with respect to any such Bonds as to which the holder has made an Election to Hold, which Bonds shall continue to accrue interest to stated maturity.

Payment of the Registered Bonds will be made at the office of First Trust of New York, National Association, 100 Wall Street, New York, New York 10005, as successor Trustee or, in the case of Bearer Bonds, at the offices of Morgan Guaranty Trust Company of New York, Avenue des Art 35, B-1040 Brussels, Morgan Guaranty Trust Company of New York, P.O. Box 161, 60 Victoria Embankment, London EC4Y OJP, Banque Paribas Luxembourg, 10A Boulevard Royal, L-2093 Luxembourg, Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002 Basle or Banco Rio de la Plata, 25 de Mayo 140, 1st Basement (Titles Dept.), Buenos Aires, Argentina, the Company's paying and transfer agents outside the United States.

Payment of the Bonds will be made upon presentation and surrender of the Bonds to be redeemed, together (in the case of a Bearer Bond) with all Coupons maturing on August 4, 1997. Bearer Bonds must be presented for redemption together with all unmatured Coupons failing which the amount of any missing unmatured Coupons will be deducted from the sum due for payment. All unpaid interest installments represented by Coupons which shall have matured on or prior to the Redemption Date shall continue to be payable to the holders of such Coupons, and the amount payable to the holders of Bearer Bonds presented for redemption shall not include such unpaid installments of interest unless Coupons representing such installments shall accompany the Bonds presented for redemption.

IMPORTANT NOTICE

Under the Interest and Dividend Compliance Act of 1983 as amended by the Energy Policy Act of 1992, 31% will be withheld if tax identification number is not properly certified with respect to payment of Registered Bonds made by a paying agent in the United States.

CERTIFICATE OF TELECOM ARGENTINA STET-FRANCE TELECOM S.A.

April 4, 1997

First Trust of New York,
National Association, as Trustee
100 Wall Street
New York, New York 10005

Ladies and Gentlemen:

Pursuant to the provisions of Section 11.2 of the Indenture (the "Indenture") dated as of August 4, 1992 between Telecom Argentina Stet-France Telecom S.A. (the "Company") *and First Trust of New York, National Association, as successor Trustee to Morgan Guaranty* Trust Company of New York, as Trustee thereunder, relating to U.S. $200,000,000 aggregate principal amount of the Company's 9.00% Bonds Due 1997 (the "Bonds"), and pursuant to paragraph 3(c) of the Terms of the Bonds, in connection with the Company's election to redeem the Bonds, the Company hereby confirms to you that the Company's obligation to pay Additional Amounts on the Bonds as required by Federal Act 24.587 of the Republic of Argentina cannot be avoided by the Company taking reasonable measures *available to it.*

Any capitalized terms used but not defined in this notice shall have the meanings assigned in the Indenture.

Very truly yours,

TELECOM ARGENTINA STET-
FRANCE TELECOM S.A.

By: /s/ Juan Carlos Masjoan
Title: *Chairman of the Board of Directors*

By: /s/ Giorgio Ribotta
Title: *Vice-Chairman of the Board of Directors*

OPINION OF PRICE WATERHOUSE & CO.

Buenos Aires, April 4, 1997

To the President and Directors of
Telecom Argentina Stet-France Telecom S.A.
Maipú 1210 - 9th floor
Buenos Aires

and

To First Trust of New York,
National Association, as Trustee
100 Wall Street
New York, New York *10005*

Dear Sirs:

In accordance with your request, and in our capacity as independent auditors of Telecom Argentina Stet-France Telecom S.A. ("the Company"), we have analyzed the impact on the Company of the terms of Law No. 24,587 and its regulatory decree in relation to the issue of Corporate Bonds for US$ 200,000,000 *due 1997 ("the Bonds"), in the form of individual* bearer securities.

Our work has been based on the interpretation of Law No. 24,587 and its regulatory decree, and on a review of Section 3(a) of the Terms and Conditions of the Bonds.

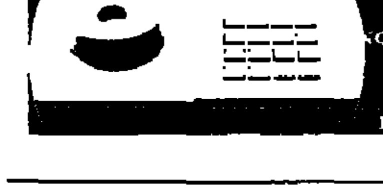
On the basis of the work performed we are of the opinion that the Company shall be required to pay additional amounts in accordance with the penalties laid down by Law No. 24,587 and its regulatory decree.

Yours truly,

PRICE WATERHOUSE & CO.

By: /s/ Juan Carlos Grassi
(Partner)
Certified Public Accountant

Questions concerning the redemption of the Bonds can be directed to the Trustee, attention of Helen Chin at (212) 361-2531, or to the Company, attention of Elvira E. Lazzati at (541) 968-3604 or (541) 968-3606.



WAVE SYSTEM PRESENTS:

EYE DENTIFY
THE WORLD'S MOST SOPHISTICATED HIGH SECURITY ACCESS CONTROL SYSTEM AND ALSO
THE EASIEST TO USE!

WAVE SYSTEM
OORDERLAAN 107
B-2030 ANTWERP
BELGIUM
Tel. 32-3 5420116
Fax. 32-3 542 48 63

The Financial Times plans to publish a Survey on

Liechtenstein

on Tuesday, June 10

For further information, please contact:
Lindsay Sheppard Tel: +44 171 873 3225 Fax: +44 171 873 3204 or
John Rolley (Geneva) Tel: +41 22 731 1604 Fax: +41 22 731 9481
Ernst Jenny (Schwanden) Tel: +41 55 644 3070 Fax: +41 55 644 3076
or your usual Financial Times representative

FT Surveys

Forthcoming FT Surveys on Eastern and Central Europe

May	Croatia
May	Budapest
June	Baltic Basin States
June	Romania
July	Serbia
July	Kazakhstan

For further information on advertising, please contact:
Patricia Surridge
Tel: +44 171 873 3426
Fax: +44 171 873 3204

or your usual Financial Times representative

FT Surveys

Foreign investors fight company's attempt to restrict rights

Fury over Russian share move

By Chrystia Freeland in Moscow and Arkady Ostrovsky in London

Foreign investors and western financial institutions have mounted a furious attack on Mosenergo, once viewed as Russia's most investor-friendly company, in a battle over shareholder rights.

Earlier this month Mosenergo, the Moscow electricity company, announced plans to seriously limit the rights of outside shareholders. The proposals, which are to be voted on at next week's annual general meeting, triggered a volley of protest.

The struggle is expected to come to a head today at a Mosenergo emergency board meeting, which will pit the government's new, reform-minded team against some of the country's most powerful Soviet-era industrial managers.

"Mosenergo will have to decide whether it wants to work in a normal, civilised market economy, or to go back to the dark ages," said Mr Boris Brevnov, the new vice-president of Russia's national electricity company. He will make the case for shareholder rights at today's showdown.

The European Bank for Reconstruction and Development and the International Finance Corporation, the private sector arm of the World Bank, last week warned the company that lending and investment programmes could be in jeopardy.

Mr Guy de Selliers, the EBRD's deputy vice-president, said he had told them "we are not going to lend any money to your company if this is the kind of corporate governance principles you are promoting".

He said the bank's threat to cancel its loan of about $100m was part of its larger rejection of an opaque, uncompetitive "Russian way" of doing business.

"We are only willing to work with Russian companies which are determined to live by the same business standards as the rest of the world," he said.

Several top western investors have complained to the Russian cabinet, warning that Mosenergo's plans threatened to seriously undermine international confidence in Russian companies.

Foreigners, who have avidly bought Mosenergo stock because of the company's reputation for openness, own an estimated 35 per cent of the shares.

The company's proposals include limiting shareholder voting rights to 1 per cent of share capital, no matter what the size of the stake. It is also seeking to restrict the nomination of directors to those candidates with 25 years' experience in the Russian power industry.

A third point of disagreement is Mosenergo's proposed 30 per cent increase in authorised capital. Some investors fear the new share issue would be primarily a vehicle for giving the city of Moscow, under the leadership of its powerful mayor, Mr Yuri Luzhkov, a stake in the company.

In a letter sent last week to Mr Boris Nemtsov, the young reformist first deputy prime minister, who is responsible for restructuring the energy sector, one irate western investor warned: "Failure to do so [stop Mosenergo's proposals] will send a message to all investors that any Russian company at any time, no matter how large and important, can suddenly decide to take away shareholder rights and dilute their ownership. This will have a significant long-term effect on the Russian capital markets."

According to Ms Julie Quist, utilities analyst at MC Securities, the attitude of many investors has been: "If you can't trust Mosenergo, who can you trust in Russia?"

Mosenergo officials could not be reached yesterday for comment.

Czechs take a knife to budget spending

By Vincent Boland in Prague

The Czech government yesterday announced steep budget cuts, import restrictions, faster privatisation, and moves to clean up the stock market as part of a sweeping package of measures to revive an ailing economy.

Launching his government's most significant policy changes since being re-elected last summer, Mr Václav Klaus, prime minister, said the measures, made necessary by a sharp slowdown in the economy this year, were "a healthy step forward".

He also revised sharply downwards the 5.4 per cent official forecast of economic growth for the year. "It would be a great success if it were half the original estimate but it is likely to be less," he said.

Some of the new measures, including import restrictions on consumer goods and foodstuffs, and the proposal for an independent stock market watchdog, mark a retreat from the prime minister's long-held *laissez-faire* attitude towards the markets.

The most severe change is a reduction of Kc25.5bn ($855m) in projected budget spending this year. This includes a cut of Kc4.2bn in the public sector wage bill: pay rises will be kept to 7.3 per cent compared to the 11.9 per cent originally forecast.

Although ministers had said import surcharges would not be applied, restrictions have been placed on imports of foodstuffs and consumer goods. Importers will now have to place 20 per cent of the value of the imported items on non-interest-bearing accounts for 180 days.

Without proof of the deposit, the goods will not be allowed into the country. The industry ministry is expected to issue a decree tomorrow bringing the measure into effect.

The import measure is designed to restrain the most worrying aspect of the country's current economic plight: its soaring import bill.

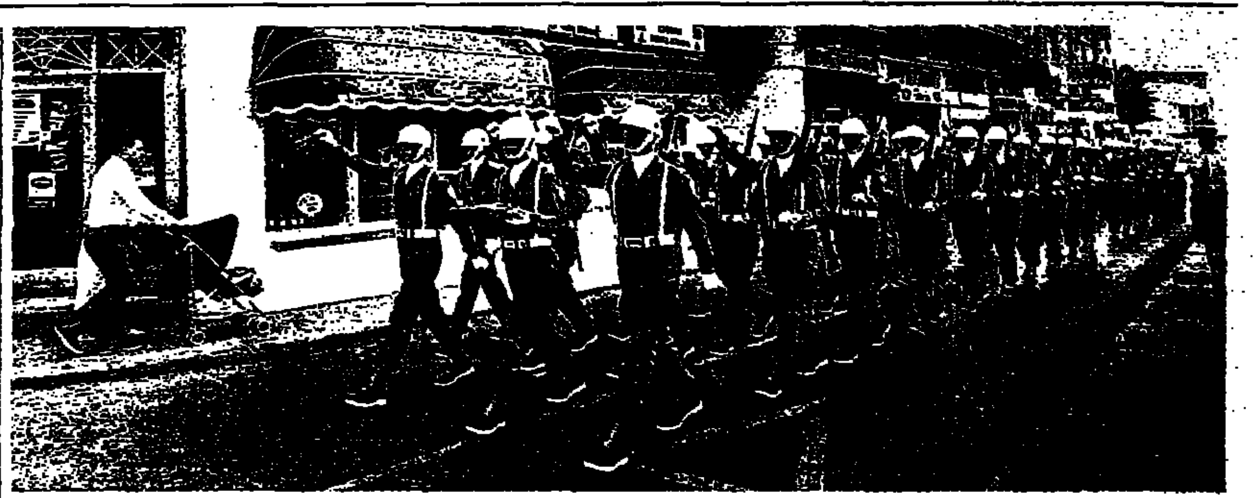
The current account deficit stood at 8.6 per cent of gross domestic product in 1996, a level that analysts consider to be unsustainable.

The government also said it would draw up proposals by the end on next month for more privatisation of banks and companies still in state hands.

Financial markets, which have been extremely nervous for the past few days in anticipation of the stabilisation package, traded more firmly before the announcement of the measures, which came after the close of trading.

Mr Klaus said the budget cuts were "a painful step which will hurt many. But we are convinced we cannot continue without them".

He also hinted strongly he wanted the central bank to cut interest rates in response to the tightening of fiscal policy. However, Mr Josef Tošovský, its governor, said the bank was likely to take a few days to consider market reaction to the measures.



Turkish troops have occupied the north of the island since 1974

Caroline Penn/Reflex

Turkey tries to put northern Cypriots back on their feet

Ankara is prescribing harsh medicine, writes **John Barham**

Turkey wants to turn north Cyprus into a "showcase" of prosperity and dynamism enabling it, if necessary, to survive in isolation for many years to come.

An international embargo has brought the enclave's economy to its knees. But Mr Derviş Eroğlu, northern Cyprus prime minister, says "our aim is to bring the economy to a position where it can stand on its own two feet".

Ironically, Ankara is promising $250m in loans on condition that north Cyprus adopt tough economic policies that Turkey itself has resisted for years.

Although details are still being negotiated, Ankara demands reform of the public sector, particularly the state retirement fund, and privatisation of state-owned enterprises. Mr Erdal Onurhan, Turkish Cypriot economy minister, says the package will also help the government cut its debts, easing its interest burden, and provide subsidised loans to stimulate private business. These funds will boost the rate of growth and production, he says.

Although Ankara will disburse the money only as its conditions are fulfilled, few analysts expect the loans will ever be fully repaid or bring many changes. Yet action is badly needed. Living standards, once considerably higher than on the mainland, have slumped. Average income is barely $4,000 a year, only slightly higher than in Turkey. Last year the economy shrank after growing weakly in 1995 and contracting sharply in 1994.

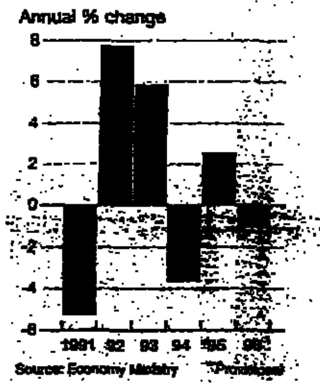
Northern Cyprus flourished in the aftermath of Turkey's 1974 invasion, even though this action sealed the north from the south and it became an outcast state recognised only by Ankara. Fortunes were made by seizing property from fleeing Greek Cypriots.

The island became a duty free entrepot for Turkey. Citrus farming recovered. Turkish Cypriot immigrants in Britain set up clothing factories to supply UK outlets. Polly Peck International, the business empire founded by Mr Asil Nadir and centred on north Cyprus, further invigorated the economy.

But the 1991 Gulf War, coinciding with Polly Peck's crash, plunged the enclave into crisis. Then came a 1994 ruling by the European Court of Justice effectively imposing an EU trade embargo. Severe recession in Turkey that year worsened conditions still further.

Now, agriculture is suffering from serious droughts. Confrontations with Greek Cypriots deter tourists. Five people died last year in clashes along the ceasefire line dividing the two communities. Tourism revenues fell by nearly a fifth to $180m. Hoteliers fear 1997 will be worse.

North Cyprus: GDP



Source: Economy Ministry *Provisional

North Cyprus has not attracted much investment. Its 200,000 people rely heavily on the public sector, and ultimately on Turkey. Almost every family receives a government pay cheque either as public employees, pensioners or veterans. Families of people killed in clashes with Greek Cypriots also receive an allowance.

According to official data, Turkey injects $50m a year into the economy through aid and the salaries of the 30,000 Turkish troops stationed there. More money comes from Turkish students studying at private universities.

The European Union will begin discussing membership for Cyprus next year. The EU hopes the prospect of membership and generous economic aid will help bring reunification. Incomes in the south are three times greater than in the north. Inflation is only 3 per cent against 80 per cent on the Turkish side.

Although a Turkish Cypriot newspaper editor says most people favour membership, "the government and Turkey say we can only enter the EU at the same time as Turkey". Diplomats say a settlement, ending the embargo and bringing EU membership, will not come soon, if ever.

Growing reliance on the mainland has its costs. Turkish settlers make up at least a quarter of the population. Locals blame them for petty crime and driving down wages.

Loose government controls are attracting Turkish investments in casinos as Turkey cracks down on gambling. Northern Cyprus has 14 casinos and a further 11 are expected to open soon. A western diplomat says: "Cyprus is Turkey's Macao."

The enclave's decision to promote itself as an offshore centre is making it an international crime hub. It has 70 banks, many with a dubious pedigree. The diplomat says: "Northern Cyprus is a drugs centre. The drugs, mainly heroin, do not transit through Cyprus. But this is a distribution, logistical and finance centre linked to Turkish Cypriots in London and smugglers in Turkey."

Turkey's economy is in trouble and the government weak. Cypriots shuddering at what kind of showcase their mini-state will become are voting with their wallets by leaving their money in foreign bank accounts or by emigrating in increasing numbers.

CONTRACTS & TENDERS

Hellas

MINISTRY OF DEVELOPMENT
GREEK NATIONAL TOURISM ORGANISATION

Announcement
for an invitation to tender

The Greek National Tourism Organisation (GNTO) hereby invites for an international public bidding competition (auction) with sealed bids (without counter-bids) for the tourist development and long-term use and exploitation of an area of 1.780 «stremmata» (1 stremma = 1.000 m^2) in the district of Afantou of the island of Rhodos.

The bidding will be carried out at the offices of the Directorate of Exploitation of the GNTO, at 7 Voulis street, 6th Floor, Room No 616, on Monday, 08.09.1997, from 10.00 to 12.00 hours, before a Bidding Committee, set up for this purpose.

Interested parties can avail themselves of the text of the invitation to tender from 18.04.97 onwards from the GNTO offices at 7 Voulis street, 6th Floor, Room No 611, Athens, or from the GNTO Offices in Rhodos, every day from 11.00 to 14.00 hours.

The General Secretary
N. Skoulas

IPR deal is significant step towards full economic links

Vietnam and US in piracy pact

By Jeremy Grant in Hanoi

The US and Vietnam yesterday reached a landmark intellectual property rights (IPR) agreement on protecting a range of products, including computer software, from copyright infringement.

The move was welcomed by businessmen as crucial to tackling piracy in the communist-run country, which has reached alarming levels in the past 12 months. It was *also hailed by US* negotiators as another building block in the process of cementing full economic ties between the former enemies.

Mr Joe Damond, head of the US negotiating team from the *Office of the* US Trade Representative, said a *formal agreement would be* signed "shortly" and would *come into effect later.*

It will create for the first time in Vietnam a legal framework for the protection of artistic, musical, literary, cinematic, choreographic and computer software works.

The agreement will probably provide some comfort to US investors with IPR concerns as they contemplate investing in Vietnam. "It's *significant* because a huge percentage of the US economy is intellectual property-based," said Mr Tony Foster, chief lawyer at Freshfields lawyers in Hanoi.

However, Mr Damond conceded that enforcement would be a big challenge in *a country which industry* analysts estimate to have a *99 per cent piracy rate. "It's* critical. And that's the next *step. We're going to have to* work with the Vietnamese authorities to see it's enforced," he said.

One of the provisions of the agreement requires Vietnam to draft legislation setting out an enforcement regime.

Pirated compact discs and videos are easily available in the capital and in the commercial hub, Ho Chi Minh City.

Foreign consumer goods companies manufacturing in Vietnam are increasingly discouraged by the appearance *of* locally-made "knock-offs" of their products. Ear*lier* this year, *Procter &* Gamble of the US said it was *losing up to 25 per cent of* its business to counterfeiters *and smugglers.*

There is some relief among the US negotiators that Hanoi has now responded to a draft IPR treaty presented by US officials a year ago. The delay is thought to have been caused by entrenched interests in ministry-affiliated state-owned companies believed to have a stake in much of the piracy.

However, the agreement came on the same day that Vietnam reported its first successful prosecution of copyright violations. At a trial in Ho Chi Minh City, a local composer successfully sued *Saigon Video Music* Company for $1,200 (£750) in *damages for using his songs* on an album without his permission.

Mr Nguyen Dinh Luong, director-general of trade policy for Europe and the US at the trade ministry, said: "Enforcement is very important. We have to be serious about it for our long-term interests".

With the copyright agreement apparently out of the way, *the US is now waiting* for a response from Hanoi to *its* proposals *for* an all-embracing trade pact. That would pave the way for Vietnam to be granted Most Favoured Nation (MFN) status.

Battery production overpowering

Japanese output of lightweight, rechargeable cells, boosted by the rise of mobile telephones, could treble by 2001, reports **Peter Marsh**

A big rise in Japanese output of new lightweight, high-energy batteries for use in mobile-telephones and other equipment could push the industry *into over-supply* by the turn of the century, according to US consultants.

Production capacity for the new cells is likely to double or treble by 2001, with most of the hundreds of millions of dollars in investment coming from Japanese consumer goods companies including Sony, Matsushita, Toshiba and Sanyo.

Powers Associates, a US *consultancy, says heavy* investment in new battery plants is likely to lead to overcapacity. "Everyone is seeing the plum and wants a share of it," said Dr Robert Powers.

Worldwide sales at manufacturers' prices of the lightweight rechargeable batteries are put at some $5bn a year. More than two-thirds are made by Japanese manufacturers.

The new batteries are virtually all made using three chemical technologies – lithium ion, nickel cadmium and nickel metal hydride.

They account for a small *part of the world's $30bn-*$40bn annual market for batteries of all types, which include the familiar alkaline or zinc-carbon batteries used for most consumer goods as well as rechargeable lead-acid batteries used in cars. But the boom in mobile telephones, and other electronic goods such as portable computers and camcorders, has led to a surge in demand for *the new types of lightweight,* high-energy battery.

Demand for lithium ion batteries, which can store particularly large amounts of electricity, is growing fast.

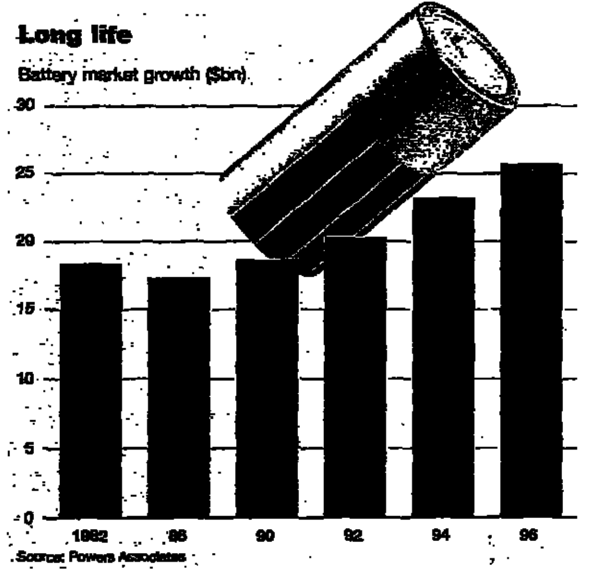
Powers Associates expects output to grow fivefold to the end of the century. Sales of lithium ion batteries last year at makers' prices are put at $1bn, roughly one fifth of the sales of the new, *high energy systems.*

In the US, Ralston Purina, a large battery company which markets the Eveready and Energizer brands, is building a $70m plant in Florida to make lithium ion *systems, to try to narrow the* gap with the Japanese.

Duracell, another big US battery group, has a pilot production line in Connecticut for lithium ion systems, and is building a plant in North Carolina for nickel metal hydride cells. This is being constructed in a joint venture with two partners – Toshiba and Varta, a German battery company.

Long life

Battery market growth ($bn)



Source: Powers Associates

*According to a report** from Powers Associates on the battery industry, the US is the biggest single market for batteries of all types, with sales at $8.9bn last year.

Japan accounted for $4.9bn of sales, with western Europe next at $4.4bn. China is the next biggest single market for batteries, with sales put at $1.8bn in 1996.

A second report☆ on batteries from Freedonia, another US consultancy, forecasts battery sales worldwide will grow by 8 per cent a year until 2000, thanks mainly to expanding consumer applications and further growth in the number of vehicles, particularly in eastern Europe. The report expects Japan's trade surplus on batteries of all types to grow from $1.65bn last year *to* $2.31bn in 2000, while North America's deficit on these devices is projected to rise from $464m to $550m over the same period.

**1996 Battery Industry Developments, Powers Associates, 31037 Riviera Lane, Westlake, Ohio 44145. $120.*

☆ *World Batteries, Freedonia, 3570 Warrensville Center Rd, Cleveland, Ohio, 44122-5226. $3,600.*

Survey, separate section

Lyonnaise wins big Moroccan contract

By Roula Khalaf in London

Casablanca city council has voted to award Lyonnaise des Eaux of France a 30-year contract for the distribution of water and electricity, concluding more than two years' tortuous negotiations.

Mr Gerard Payen, Lyonnaise's general director for water, yesterday said Lyonnaise, leading a European consortium, had reached a compromise with the city council to limit price rises originally projected by the company. The contract had become controversial in part because the government had invited the company to negotiations without tender.

The original contract *envisaged steep price rises* for electricity, water and waste-water disposal. The General Confederation of Moroccan Entreprises criticised the terms of the deal, arguing that its members already paid more than their Mediterranean neighbours *for electricity.*

Mr Driss Basri, interior minister, is believed to have stepped in to help forge a compromise.

The government knew that failure to award the contract to Lyonnaise, after having invited it to Morocco, could have sent the wrong signal to the international business community just as the country is struggling to attract foreign investment.

Mr Payen said the final agreement projected no increase in prices during the first year, more moderate increases for electricity in the second and third years *only, and higher rates for* water in the second to fifth years. The confederation has yet to react to the council vote. Total investment over the 30-year period is expected to reach Dh30m ($3.2m), with priority for waste-water disposal. Lyonnaise said it would also focus on improving service, collecting revenue, and making water and electricity distribution *systems more efficient.*

Help needed with water, Page 8

WORLD TRADE NEWS DIGEST

US trade move irks Argentina

Argentina has reacted angrily to a US decision to end *duty-free status for exports valued at* $260m a year. The move was "an unnecessary blow to a political and *commercial* ally such as Argentina", said Mr Guido Di Tella, the foreign minister. President Bill Clinton has signed an order reducing by 50 per cent the amount of Argentine goods that can be imported duty-free, to protest at what he said was a failure to protect patents and other intellectual property rights.

The goods were imported under the US generalised system of preferences (GSP), which aims to assist developing countries by eliminating tariffs on selected exports. The US has been angered especially by Argentina's failure to toughen its laws on pharmaceutical patents.

The sanctions, to be imposed within 30 days, were *announced in principle in January. They will have most* effect on chemicals, petrochemicals, and some metals and food exports.

They are unlikely to have a big overall impact on Argentina's US trade. Exports under the GSP in 1995 totalled almost $516m, while total exports to the US last year reached $1.8bn. *Ken Warn, Buenos Aires*

IBM aid for frequent flyers

An automated immigration system to speed frequent flyers through airport border controls will be unveiled by International Business Machines today. The system will allow business travellers to complete airport formalities by swiping a card through a machine and providing simple biometric information, such as a handprint.

The FastGate system will be introduced on a limited basis at Bermuda International Airport next month; IBM hopes it will be in use in up to 25 of the world's busiest airports within the next few years.

The system uses biometrics – a handprint, voice print or fingerprint – to establish the identity of a traveller at passport control, and is linked to a security database. IBM says it will make *life* easier for regular travellers, while allowing police and immigration officials to make better use of their time. *George Parker, London*

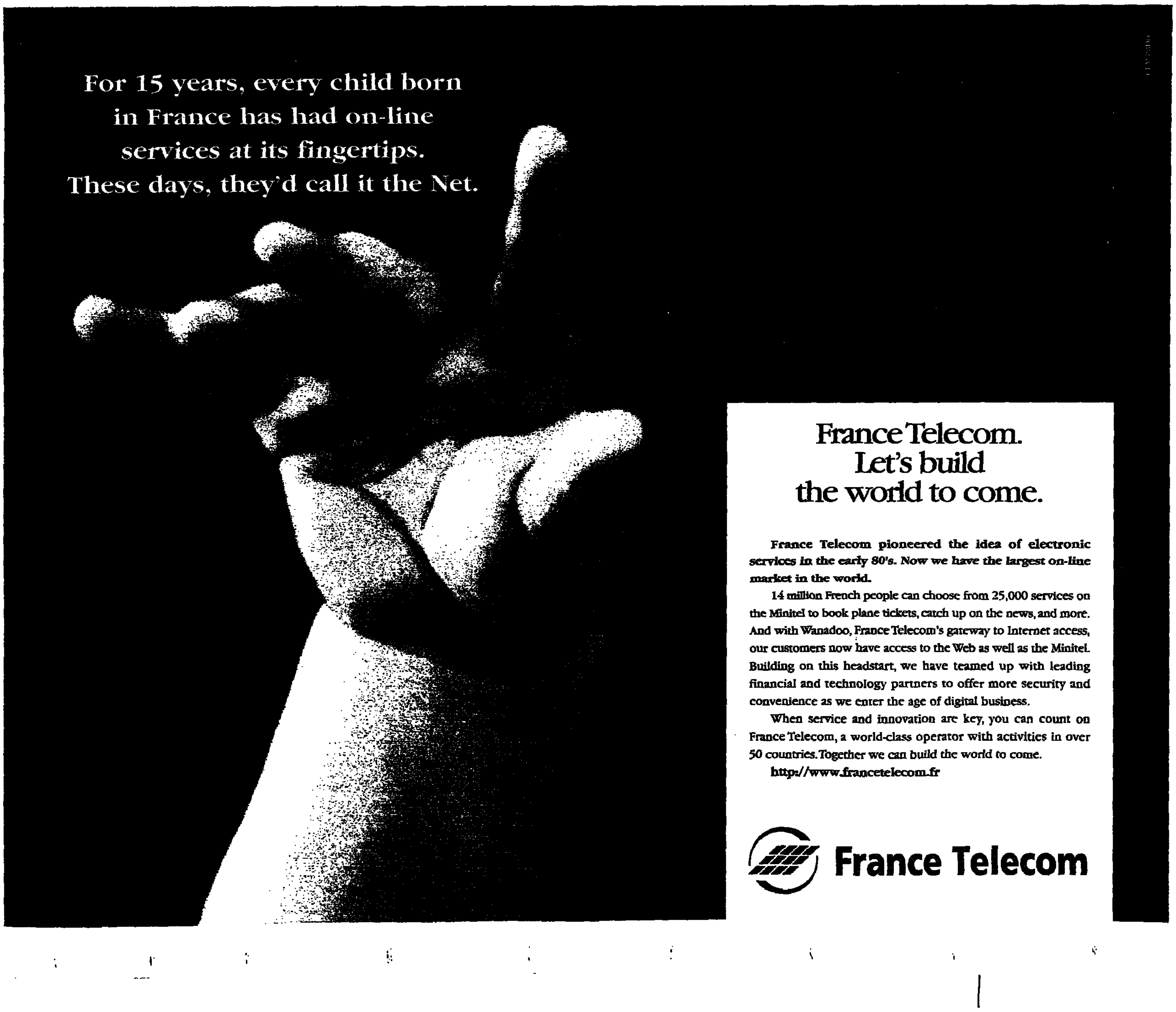
Cuba, South Africa sign pact

Cuba and South Africa have signed a commercial agreement aimed at boosting bilateral trade. "There are considerable prospects for increased trade," Mr Alec Erwin, South Africa's trade and industry minister, said after signing the deal at the end of a two-day mission to Havana.

The trade agreement, which includes a reciprocal Most Favoured Nation clause, was a further sign of South Africa's determination to strengthen trade and investment links with communist-ruled Cuba despite US objections. Pretoria and Havana already have a bilateral investment promotion and protection accord.

Annual two-way trade has reached around $35m, mostly exports of South African herbicides to Cuba's sugar industry. *Pascal Fletcher, Havana*

■ Aero International Regional (Air) has won a $200m turboprop order from American Eagle, American Airlines' regional carrier. The order is for 12 ATR 72-210A aircraft. Deliveries will start in July and continue until May 1998. *American Eagle already operates 91 Air turboprops.* *Michael Skapinker, Aerospace Correspondent*


For 15 years, every child born in France has had on-line services at its fingertips. These days, they'd call it the Net.

France Telecom.
Let's build
the world to come.

France Telecom pioneered the idea of electronic services in the early 80's. Now we have the largest on-line market in the world.

14 million French people can choose from 25,000 services on the Minitel to book plane tickets, catch up on the news, and more. And with Wanadoo, France Telecom's gateway to Internet access, our customers now have access to the Web as well as the Minitel. Building on this headstart, we have teamed up with leading financial and technology partners to offer more security and convenience as we enter the age of digital business.

When service and innovation are key, you can count on France Telecom, a world-class operator with activities in over 50 countries. Together we can build the world to come.

http://www.francetelecom.fr

France Telecom

Debate over MFN status likely to be main battleground with congressional critics

Clinton's China policy under challenge

By Guy de Jonquières and Bruce Clark in Washington

US President Bill Clinton's drive to improve relations with Beijing is facing mounting challenges. As Congress steps up pressure on his administration over the forthcoming Hong Kong handover, allegations of Chinese involvement in US election campaign funding and anxieties about trade are also exerting pressure.

Senior administration officials admit the worsening political atmosphere has already called into question their policy of engaging China more closely and that a big effort will be needed to keep it on track. "There is a perception in the US that the policy is going backwards," said one.

The White House has recently sought to limit the damage by responding more openly to demands from both parties in Congress that the US show it is sensitive to democratic and human rights in Hong Kong, and will not tolerate any moves by Beijing to suppress them after it takes control.

Such reasoning apparently explains President Clinton's invitation to Mr Martin Lee, leader of the Hong Kong Democratic party, to meet him and Vice-President Al Gore tomorrow, and the decision by Mrs Madeleine Albright, US secretary of state, to attend the Hong Kong handover ceremony on June 30.

However, these gestures are unlikely to be enough to stem the hostility and suspicion towards China increasingly evident in Congress. Some US officials also believe Mrs Albright is taking a big risk by visiting Hong Kong and could be politically embarrassed if the handover fails to go smoothly.

Mrs Albright apparently hopes the visit will earn political credit in Congress before this summer's annual debate on renewal of China's Most Favoured Nation trade status. This event is shaping up as potentially the most difficult battleground in the US political wrangle over China policy.

Mrs Albright sought in a Asia policy speech this week to bolster the administration's case for MFN renewal, while reiterating Mr Clinton's insistence that China's trade links with the US should not be held hostage to its human rights record.

However, her pleading appears so far to have made little impact. Mr Douglas Bereuter, a moderate Republican who chairs the House of Representatives' Asia-Pacific affairs sub-committee, said yesterday the House was so exercised about China that it might reject a request by Mr Clinton to renew MFN.

Such an unprecedented move need not mean that MFN lapsed, because Mr Clinton could veto it. However, such a vote would risk further undermining his China policy by demonstrating powerfully the depth of Congressional opposition to it.

The political atmosphere has been inflamed by partisan sparring over allegations, still unproven, that China sought to influence US policy by covertly funding last year's Democratic party election campaign.

The mood on Capitol Hill is now so rancorous that even some members of Congress who support the principle of MFN renewal are reluctant to stand up for it for fear that colleagues will accuse them of owing political favours to China.

The administration's quest for closer ties with Beijing has also taken a knock from the resignations this week of the two top trade negotiators handling China's application to join the World Trade Organisation.

Some observers in Washington have taken their sudden departure as sign that the WTO talks are making heavy weather.

Mr Lee Sands, the senior of the two officials stepping down, had until recently appeared hopeful of a decisive breakthrough on China's WTO accession this year.

If pessimism about the talks proves justified, it could cast a further cloud over plans for US state visit by President Jiang Zemin of China, tentatively scheduled for November.

Martin Lee: invited to meet the president in Washington

Mr Tung Chee-hwa, Hong Kong's future leader, will not visit the US before the territory's return to China in July in spite of increased concerns in the US about the handover, John Ridding reports from Hong Kong.

Although he had not set a date for a visit, Mr Tung had previously signalled he would travel to the US to counter gloomy predictions about the transfer of sovereignty and to reassure politicians and the US business community.

A statement from his office yesterday said his work load in the territory was too heavy. "The chief executive believes his focus must be in Hong Kong," the statement said.

Aides to Mr Tung said his decision had no connection with the visit of Mr Martin Lee, the leader of the territory's Democratic party and a critic of China's plans for Hong Kong. However, it reflects the dilemma facing the territory's leader-in-waiting as he seeks to improve his image abroad.

Some of Mr Tung's supporters argue that a trip to the US is necessary to improve his image and counter criticisms of controversial issues.

Others argue, however, that a trip could create more problems than it solved. "He needs to establish himself here first and to show that these doomsday scenarios are unwarranted," said one pro-China politician.

"At the moment he can't prove this, because he isn't even in power. And if he follows Martin Lee with all of these controversies then he risks being set up as the bad guy."

Beijing may ease ship ban

By Laura Tyson in Taipei

The first ship legally to travel directly from China to Taiwan in nearly 50 years could sail as early as tomorrow, provided the sometimes turbulent waters of the Taiwan Strait are not stirred up by politics before then.

But as Hong Kong's reversion to Chinese rule draws near, the long-time diplomatic foes appear determined to push ahead with economic ties despite simmering political tensions.

Beijing is poised to issue permits in the next day or two to a number of Taiwanese carriers to ply the 16-hour route, reciprocating a move by Taiwan authorities granting permission to four Chinese carriers last week.

Several China-owned shippers are vying to be the first to sail the long-awaited maiden journey, a small step in paving the way for eventual normalisation of economic relations across the Taiwan Strait.

Approved shippers may sail to and from the designated ports of either Xiamen or Fuzhou in coastal Fujian Province, to the southern Taiwanese port of Kaohsiung, one of the world's busiest harbours.

If the experiment in easing a ban on direct shipping dating from 1949 succeeds, it will probably be widened to include other cross-strait sea routes, and foreign as well as Chinese or Taiwanese shipping.

Eventually it may be used as a model for restoration of direct air flights from Taiwan to China, a thornier issue because it involves the transport of people as well as cargo.

After years of bickering, Beijing and Taipei were able to reach agreement on cross-strait shipping only by compromising on subtle but crucial differences over sovereignty to allow each side to maintain "face".

Taipei insists the new routes will not constitute "direct links", as cargo originating in China can only be processed for onward shipment in Kaohsiung's "offshore trans-shipment centre" and may not pass through Taiwan customs.

Likewise, Taiwan goods will not be allowed to be loaded aboard vessels in Kaohsiung and shipped directly across the strait: they must be routed through Hong Kong, as now.

Beijing was allowed to save face by the exclusion of international carriers from cross-strait routes, while Taipei had initially demanded that only foreign carriers be allowed.

Beijing, which views Taiwan as a rebel province, insisted Taiwan-China crossings be treated as "domestic", not "international", routes. Earlier disputes over flags were resolved by agreement that neither Beijing's nor Taipei's colours would be flown on cross-strait routes.

Shipping executives say that initially, at least the economic benefits of direct shipping will be minor, because the cargo volume on the two designated routes will be insignificant compared to total volume of cross-strait trade.

The overwhelming majority of trade, which has risen rapidly since the late 1980s, originates in Taiwan and transits through Hong Kong to satisfy Taipei's ban on direct trade.

Foreign shippers are concerned at Beijing's insistence that only shipping concerns mainly owned by China, Taiwan or Hong Kong interests may sail the new routes, fearing they would be excluded. But indications suggest foreign carriers can indirectly benefit through alliances with approved carriers.

Such alliances might be attractive to approved shippers, industry executives said, as they might face difficulty in filling vessels to capacity, a point critical for efficiency in the competitive shipping industry.

A leading Taiwan shipping concern said it planned two sailings a week with a small vessel, a fraction of its total volume. Savings in stevedore fees could be appreciable compared to transiting through Hong Kong.

Matsushita breaks with traditional pay deals

By William Dawkins in Tokyo

Matsushita, the world's largest consumer electronics group, is to introduce a multi-tier pay structure, a significant break with the Japanese traditional monolithic wages system.

From next April, the group will allow new recruits to choose between three kinds of pay structure. These include two options under which employees can earn higher basic salaries in return for giving up retirement allowances and fringe benefits, and a third option under which they will be paid the same as existing staff.

The aim is to give new employees more freedom to manage their own financial affairs and thereby to attract more talented recruits, said company officials.

"We want to be more flexible as a company and attract different kinds of people. Employees will be able to choose whether they get their money at the beginning or the end of their working lives," said Ms Deborah Lamascus, a Matsushita spokeswoman. This comes in response to demands by younger staff, she said.

The move is especially notable coming from Osaka-based Matsushita, reputed to be one of Japan's most conservative corporate employers. It has nearly 48,000 domestically-based staff, whose average age is 39.

It is a break with the norm of rigid pay scales, in which salaries rise with seniority, with little differentiation between employees with varied skills, aptitudes or tastes.

The consequence is that middle-aged workers tend to be higher paid by comparison with the young than is the case in the US or Europe. The new system will begin, as an experiment, with the next intake of new staff, usually 500 to 600 a year, in spring 1998 and continue if it proves popular, Ms Lamascus said.

Under each option, employees would earn the same, if spread out over an entire career. The scheme is not intended to encourage staff to change companies in mid-career or to weaken Matsushita's commitment to life-time employment, she added.

Under the first option – available to all new staff – a sum equal to expected retirement allowance will be added to annual bonuses.

Other benefits, such as low-cost home loans or grants for purchases of Matsushita shares, will continue to be awarded. This would be worth Y240,000 ($1,890) a year on top of a basic monthly pay of up to Y250,000, or Y3m ($23,600) a year.

Under the second option, a sum equivalent to retirement allowances plus other benefits would be added to annual bonuses. This will be worth Y350,000 a year for those earning up to Y250,000 per month. The second option will be offered only to graduates or those with work experience.

ETBA Finance

ETBA FINANCE FINANCIAL AND ECONOMIC SERVICES S.A.
(formerly GREEK EXPORTS S.A.)

ANNOUNCEMENT OF A SECOND REPEAT PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF THE "COMMERCIAL AND INDUSTRIAL PLASTIC PRODUCTS S.A." with the trade name of "ASPA PLAST HELLAS" PRESENTLY UNDER SPECIAL LIQUIDATION

ETBA FINANCE Financial & Economic Services S.A., established in Athens at 1 Eratosthenous & Vas. Constantinou Streets, in its capacity as special liquidator of the above company, which is presently under special liquidation as per article 46a of Law 1892/1990, and in accordance with Decision No 450/1996 of the Piraeus Court of Appeal and following instructions dated 28/2/97 from ETBA, the creditor as per para. 1 or article 46a of Law 1892/1990

ANNOUNCES

a second repeat international public auction for the highest bidder with sealed, binding offers for the sale of the total assets of the "COMMERCIAL AND INDUSTRIAL PLASTIC PRODUCTS S.A." with the trade name of "ASPA PLAST HELLAS"

ACTIVITY AND SUMMARY DESCRIPTION OF THE COMPANY

The company under special liquidation has a factory which produces PVC profiles and plastic frames. It is situation in the Lamia industrial zone on a plot 34,000 m2 in area. The factory building occupies a surface area of 7,784 m2 while the offices extend over 1,338 m2. The building housing the factory and offices has been built with prefabricated sections of reinforced concrete and has been fitted with plastic frames and an industrial floor in the factory, while the office floors are of marble or covered by fitted carpets. The area surrounding the building is landscaped, with driveways, and is walled around. There is also a water-tank. A detailed description of the foregoing and the mechanical and other equipment is contained in the Offering Memorandum to which you are referred.

TERMS OF THE ANNOUNCEMENT

1. The present Auction shall be carried out in accordance with the provisions of article 46a of Law 1892/1990 as complemented by article 14 of Law 2000/1991 as in force today, the terms contained in the present Announcement and the terms contained in the relative Offering Memorandum regardless of whether or not they are repeated in the present Announcement. The submission of a binding offer implies acceptance of these terms.
2. Each interested party is invited to receive from the Liquidator the detailed Offering Memorandum and ask for any other information concerning the company under liquidation following a written promise of confidentiality.
3. Interested parties are invited to submit a sealed, written and binding offer to the Athens notary public assigned to the auction, Mrs. Alexandra Mergianou-Nicolaidi at 69 Panepistimiou Street, 7th Floor, tel. (301) 322.2090 up to 12:00 noon on Wednesday 7th May, 1997. Offers must be submitted in person or by a legally authorised representative. Offers submitted beyond the specified time limit will not be accepted or considered. Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale.
4. On penalty of invalidity, offers must be accompanied by a letter of guarantee from a first class bank legally operating in Greece, valid until adjudication for low bidders and up to the signature of the sale contract for the highest bidder, to the amount of one hundred million (100.000.000) drachmas.
5. The offers will be unsealed by the above mentioned notary in her office at 14:00 hours on Wednesday 7th May, 1997 and all persons having submitted offers within the specified time limit are entitled to attend.
6. Offers must clearly specify the offered amount and manner and time of payment (cash or on credit, interest to be charged or not, the interest rate, the number of instalments and when they fall due etc. If mention is not made: a) of the manner of payment of the cash portion, b) whether interest will be paid on the balance on credit, c) the interest rate, then it will be assumed that: a) the price will be paid in cash, b) interest will be charged on the balance on credit, c) the interest rate will be that which is in force at the time the offer is submitted for Greek State bonds of one year's duration.
7. The submission of an offer of participation in the Auction binds the buyers to the commitment of keeping the productive installations of the company in liquidation in operation for at least five (5) years.
8. On all the points contained in the offers and on any other terms that may be agreed upon (job positions, amount of investments, length of time of operation, etc.) the buyer must accept clauses and other security, additionally covered by real collateral, to guarantee compliance with his commitments.
9. Essential guidelines for the evaluation of the offers are:
   - a) the size of the amount offered
   - b) the number of job positions created
   - c) the security provided for the settlement of any balance of the offered price on credit and for the execution of any remaining terms under commitment
   - d) the creditworthiness and business reputation of the interested parties
   - e) the business plan and in particular the size of future investments.
10. In the event that payment is to be on credit, the current value will be taken into account and will be calculated at a fixed rate of interest for all offers, this being the rate in force at the time of submission of the offer, for interest-bearing Greek State bonds of a year's duration.
11. The highest bidder is the one whose offer has been judged by the creditor, the HELLENIC INDUSTRIAL DEVELOPMENT BANK (ETBA) S.A., following the proposal of the liquidator, as being in the best interest of the creditors of the company under liquidation.
12. The elements that constitute the company's Assets shall be transferred "as is and where is" and, more specifically, in their actual and legal condition and wherever they are on the date of signature of the sale contract. The liquidator, the company under liquidation and the creditor are not liable for any legal or actual faults, lack of any qualities or any incomplete or inaccurate description of the asset for sale in the Offering Memorandum. Interested parties must, on their own responsibility and due care, and by their own means and at their own expense, inspect and form their own opinion of the objects for sale. The submission of an offer implies that interested parties are fully aware of the actual and legal condition of the objects for sale.
13. In the event that the party to whom the asset for sale have been adjudicated fails in his obligation to appear and sign the relative contract at the time and place indicated in the relative invitation of the liquidator, in accordance with the terms arising from the present Announcement and from his offer, then the amount of the guarantee stated above is forfeited to the Liquidator to cover expenses of all kinds, time spent and any real or paper loss suffered by himself and by the creditor, with no obligation on their part to provide evidence of such loss or consider that the amount has been forfeited as a penalty clause, and collect it from the guarantor bank.
14. The liquidator bears no responsibility or obligation towards participants in the auction, both with regard to the drafting of the evaluation report on the bids or to the liquidator's proposal regarding the highest bidder. Also he is not responsible and nor is he under any obligation to participants in the auction in the event of a cancellation or invalidation of the auction if its result is deemed unsatisfactory.
15. Those participating in the auction and who have submitted offers do not acquire any entitlement, claim or demand, on the strength of the present announcement or their participation in the auction, against the liquidator or the creditors for any cause or reason.
16. In accordance with para. 13 of article 46a of Law 1892/1990 the sale contract, the transcriptions and any other action involved in its execution, are exempted from State or third party taxes, dues or stamp duty while the rights and fees of notaries, lawyers, supervisors and registrars of mortgages are limited to 30% of the figure in question. Transfer expenses of the assets for sale (VAT, fees, rights and other expenses) shall be borne by the buyers.

The present announcement has been drafted in Greek and in English in translation. In any event, however, the Greek text will prevail.

For any further information and for the Confidential Offering Memorandum, interested parties may apply to the offices of the liquidating company:

ETBA FINANCE Financial and Economic Services S.A., 1 Eratosthenous Street, 4th Floor, Athens, Greece. Tel. (301) 726.0210, 726.0278 and 726.0506. Fax: (301) 726.0864.

Malaysia to 'guarantee' dam project

By Stefan Wagstyl, Industrial Editor

The Malaysian government has agreed to "guarantee the financing" of the controversial US$5.4bn Bakun dam project, according to Mr Göran Lindahl, chief executive of ABB, the Swiss-Swedish engineering group which is building the scheme.

He was speaking yesterday after meetings with Dr Mahathir Mohamad, Malaysian prime minister, and the Malaysian cabinet.

Mr Lindahl's comments will help reassure financial markets in advance of the planned Kuala Lumpur Stock Exchange flotation of Bakun Hydroelectric Corporation, which will run the scheme.

Until now, the Malaysian government has promoted Bakun as a private sector scheme in which the lead role is to be played by Ekran, an industrial group controlled by Mr Ting Pek Khiing, a close associate of Dr Mahathir. However, the government has also encouraged government-linked funds to back the venture. Mr Lindahl's comments suggest Dr Mahathir will make this support more explicit.

The plan for Bakun Hydroelectric's M$3bn (US$1.2bn) flotation envisage 10 per cent of the shares being offered to foreign investors, mostly in Singapore, with a further 15 per cent to the Malaysian public. The rest would be held by Ekran and other large corporations, including state-controlled entities such as Tenaga, the state electricity company. A M$3bn rights issue would follow 18 months after the flotation. Much of the balance would come from loans. Mr Lindahl's remarks imply that, if the public offering fell short, the government would encourage government-linked companies to take up the slack.

Mr Lindahl confirmed that work on the site in the eastern state of Sarawak had been delayed for a few weeks because of problems building tunnels to divert the river. Dong Ah, the South Korean company building the three 1.5km diversion tunnels, had suffered a rockfall on one tunnels However, this was now completed. The other two would be ready in five to seven weeks, said Mr Lindahl.

ABB cannot start work on the main site until the river is diverted. However, the project as a whole would not be delayed because the original plan envisaged the river's diversion in either autumn 1997 or May 1998. Mr Lindahl said it was still likely that it would be diverted this year.

If it were diverted next year, work would be rescheduled and the overall timetable would not be hit. The scheme has run into opposition from enviromental groups in Sweden and elsewhere. Mr Lindahl said the project would be developed to the strictest enviromental standards.

Asians expect to dominate

Asians are generally confident the Asia-Pacific region will be a dominant force in world politics and economics in the next century, a survey released yesterday found, Reuter reports from Singapore. It said they also aspired to balance work and play, educate their children abroad, travel freely and own their homes.

The survey by credit card company MasterCard on Asian ideals showed that except for Japan, most were confident the Asia Pacific region would dominate in the next century.

The survey sought views on a wide range of topics from emigration to education and polled 5,442 people in 13 countries, including Australia and New Zealand.

It said that those in predominantly ethnic Chinese countries ranked the making of as much money as possible during one's working life as among "things especially important". Taiwan ranked first on this issue with 87 per cent, Singapore second (71 per cent), and Hong Kong third (68 per cent).

A balance between work and leisure and being able to afford higher education for children were especially important.

On the issue of emigration, it found that with fewer than 80 days to Hong Kong's handover by Britain to China, only 15 per cent of those polled said they planned to emigrate.

The Hong Kong figure was below the average and compared with 33 per cent of Filipinos and 19 per cent of Singaporeans.

ASIA-PACIFIC NEWS DIGEST

Taiwan cabinet ordered to sell

Taiwan's cabinet may have to sell holdings worth T$7.6bn (US$272m) in three financial institutions within two years. A parliamentary sub-committee yesterday voted to demand the cabinet's development fund sell stakes in International Commercial Bank of China, China Bills Finance and the unlisted Overseas Chinese Bank. Committee MPs said such investments were inconsistent with the fund's purpose of helping local industries. Mr Paul Chiu, finance minister, said his ministry would fully respect the resolution if it is approved by the whole legislature, but said the shares should be released gradually to reduce stock market impact.

Under opposition pressure, the government plans to sell state holdings in financial institutions amounting to over T$170bn (US$6.2bn) in coming years. In a recent embarrassing episode, the highly profitable ICBC was fined US$20m by US authorities for failing to disclose its government shareholdings in an application with regulators to buy a small US bank. *Laura Tyson, Taipei*

Japanese spending soars

Japanese consumers had a spending binge last month, resulting in the strongest sales growth in nearly seven years at Tokyo's department stores, which reported a 21.7 per cent rise in sales to Y271.8bn ($2.14bn). This was the first double-digit growth since June 1990, according to industry figures. It was also the first rise of any kind in five months. However, the upturn was thought to be unsustainable, Tokyo retail analysts said. The main feature was a rush to buy goods before sales tax went up on April 1 from 3 to 5 per cent. *William Dawkins, Tokyo*

Cambodia stops exile's return

Cambodian authorities yesterday blocked a new attempt by exiled Prince Norodom Sirivudh to fly home to contest charges of plotting to kill Mr Hun Sen, his co-premier, leaving the prince stranded in Hong Kong for a second day. "We have given firm instructions to decline any boarding by His Highness Prince Sirivudh," the Royal Air Cambodge chairman, Mr Vichit Ith, said in Phnom Penh. Prince Sirivudh has been threatened with arrest if he returns to Phnom Penh. *Reuter, Hong Kong*

Seoul bans food rallies for North Korea

By John Burton in Seoul

South Korea yesterday banned outdoor rallies and public campaigns to raise money for food relief to North Korea in a sign of Seoul's ambivalent attitude toward helping Pyongyang escape from its worst economic crisis.

The decision came a day after the US announced it would donate $15m in new food aid to North Korea to help prevent a famine this summer.

The ban on public fund-raising activities hobbles a recent conciliatory gesture by Seoul to allow private organisations to provide rice and other food supplies to North Korea through the South Korean Red Cross.

The government appears to have been surprised by the sympathetic response to the food relief effort, with charities collecting funds on the streets of Seoul and other main cities.

The positive public reaction threatened to undermine Seoul's normally hardline policy on using food aid as a "strategic lever" to gain concessions from North Korea.

Officials said the ban on fund-raising activities was necessary to prevent North Korea exploiting differences between civic organisations and the government. Seoul has contributed $6m this year to a UN appeal for North Korean food aid, but it is unwilling to provide bilateral food aid until Pyongyang agrees to join peace talks to bring a formal end to the 1950-53 Korean war.

North Korea yesterday was scheduled to meet US and South Korean officials in New York to give its response to the peace talk proposal.

The prospect of widespread starvation in North Korea, caused by an inefficient agricultural policy and two years of huge floods, has posed a dilemma for Seoul.

South Korea fears the threatened famine could provoke political anarchy in North Korea, with refugees fleeing the country or causing Pyongyang to launch a last-ditch desperate attack.

But it also wants to avoid propping up a government that still spends heavily on one of Asia's largest military forces, while letting its population go hungry.

Some South Korean officials believe it would be better to take the risk of withholding food aid so North Korea collapses quickly, which would end repression and poor economic conditions for its citizens.

But pressure is increasing on Seoul to ease its restrictions on food aid for humanitarian reasons as reports mount about widespread malnutrition in North Korea, with Pyongyang claiming 134 children have recently died of hunger.

South Korean officials hope a way out of this political problem will be provided by Pyongyang accepting the peace talks in return for international food aid. But North Korea is also likely to demand diplomatic recognition from Washington and an easing of the US trade embargo, which Seoul is reluctant to accept.

AMERICAN NEWS DIGEST

US wins UN Cuba vote

The US, backed by other western countries, yesterday won a vote condemning Cuba in the United Nations Human Rights Commission, but the vote showed a drop in support for the annual exercise.

A total of 19 countries in the 53-member body voted for a US-drafted resolution, one fewer than in 1996, and 10 countries, five more than last year, said No to it. Twenty-four abstained against 28 last time.

Before the vote, the US accused President Fidel Castro of denying the Cuban people fundamental freedoms, harassing pro-democracy activists and controlling the free flow of information. But Mr Carlos Amat Flores, Havana's ambassador, said the resolution was "part and parcel of the hostile policy of the US waged against Cuba for the past 37 years". *Reuter, Geneva*

Setback for US revenue

The US Internal Revenue Service has backed down in a test case that will force the government to refund hundreds of millions of dollars of overpaid taxes to life assurers and might affect billions of dollars more in pending tax claims from banks. The IRS has decided not to appeal against a recent ruling by the US tax court that it had violated the US-Canadian tax treaty in its calculation of taxable investment income for North West Life, a Canadian insurance company.

Other Canadian life assurers operating in the US through branches, rather than through separately incorporated subsidiaries, are directly affected by the decision and could claim as much as $400m in tax refunds.

The IRS is not, however, expected to throw in the towel on a similar case involving National Westminster Bank of the UK, which is claiming for $180m of back tax and interest it was forced to pay in 1995. That case is being pursued in the Court of Federal Claims, rather than the Tax Court. *George Graham, London*

Ecuador acts on 'corruption'

Ecuador's Congress is expected to vote today on a move to disqualify up to 21 congressmen over alleged involvement in corruption scandals during the government of Mr Abdala Bucaram. The supreme court has also asked it to lift immunity from 17 deputies so it can start legal proceedings against them.

The congressmen threatened with removal of immunity are mainly members of Mr Bucaram's Ecuadorean Roldosist party (PRE), including some "independents" who left or were expelled from other parties during or since the end of the Bucaram government.

They are suspected of involvement in a ring of fictitious companies alleged to have provided over-priced educational equipment to state schools. An anti-corruption commission has threatened to disband if Congress does not act. *Justine Newsome, Quito*

Extradition request refused

A Honduran judge yesterday denied a US request for extradition of former Haitian police chief Mr Michel François wanted on drug charges, citing "weak evidence." Mr François was among 12 arrested last month for allegedly shipping heroin and cocaine from Colombia to Florida. He was accused of conspiring with drug lords in 1987 to set up a drug transportation and distribution network on the back of Haiti's political and military institutions. Mr François, 38, was Port-au-Prince police chief during Haiti's 1991-1994 military government. He has repeatedly stated his innocence, saying the charges constituted "revenge" by the US government for his opposition to the 1994 restoration of deposed President Jean Bertrand Aristide. *AFP, Tegucigalpa*

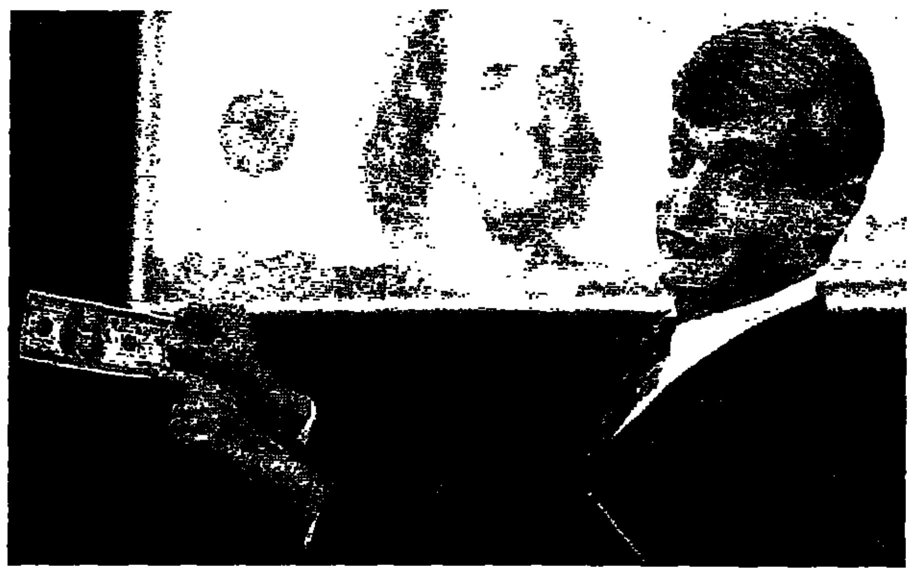
Rebels denounce Guatemala

Former rebel commanders in Guatemala have denounced the government's economic policies for allegedly violating the spirit of a peace pact ending 36 years' internal war.

The government of President Alvaro Arzu and the Guatemalan National Revolutionary Unit (URNG) signed a historic treaty in December ending Central America's longest-running and last armed conflict. It put into effect 11 separate accords on human rights, Indian rights, guerrilla disarmament, reductions in the army, education and social development. *Reuter, Guatemala City*

US is ready to act to halt 50% two-year rise in currency against the yen

Mighty dollar puts Washington in a spin



Rubin: he is clearly worried the dollar has become too mighty *Reuter*

As a statement of the obvious, the remark this week by Mr Robert Rubin could hardly have been bettered. "We will act when it is appropriate and not act when it is not appropriate," the US Treasury secretary said solemnly, in response to a question about whether the US may be about to intervene in currency markets to prop up the weak Japanese yen.

But in the semiotics of international exchange rate policy, Mr Rubin's apparently bland observations were pregnant with meaning. They were the clearest indication yet that the US is anxious to curb the sharp rise in the dollar against the Japanese yen that has taken the US currency to a four-and-a-half-year high in the last week of Y137 to $1, up by more than 50 per cent in two years.

A flurry of diplomatic activity between the policy makers of the two countries is a further indication that something is up. Two weeks ago, Mr Rubin went to Tokyo for lengthy discussions on economic imbalances with his Japanese counterparts. Then last week both Mr Rubin and Mr Eisuke Sakakibara, director of the international finance bureau at the Japanese Finance Ministry, expressed "concern" about the dollar's sharp rise.

The week after next, the US-Japanese currency relationship will be one of the focal points of discussion when the finance ministers of the Group of Seven countries meet in Washington and, just in case the conclusions are still unclear, there will be another chance to discuss the matter when President Clinton and Mr Ryutaro Hashimoto, the Japanese prime minister meet, as they are expected to do, at the end of the month.

Having spent most of the last two years cheering on the dollar's rapid ascent from the sidelines, the US authorities have now clearly decided to take part in a scheme to stop it rising further. The rash of public utterances and high-profile meetings marks an attempt to "jawbone" the dollar lower against the Japanese currency. If that does not work, market intervention by both countries' central banks seems almost certain.

At first sight these manoeuvres look like a replay of a familiar drama played out several times in the last few years. The dollar's sharp rise leads to a jump in the US trade deficit with Japan. That provokes howls of anguish from US exporters and the US authorities are prevailed upon to talk the dollar down, if necessary following that up with currency intervention.

But there are several factors that are different this time. For one thing, there have been few of the usual calls for action from US exporters. Though Detroit's Big Three car makers have let out a few rumbles of discontent in the last few months, there has been none of the Japan-bashing to which they usually resort with such alacrity.

That is because the US economy is in remarkably good shape. With unemployment at 5.2 per cent, close to a 30-year low, it is difficult to argue that a strong dollar is pricing US workers out of jobs. Another difference is that the dollar's rise has acted as a useful safety valve for policy makers. Domestic demand is growing at an annual rate of about 5 per cent, much too fast for the economy's long-run non-inflationary health. But the strong dollar has ensured that at least part of that demand has been diverted into imports.

Why then, does Mr Rubin seem uneasy about the dollar's strength?

The answer appears to be official US concern about Japanese economic policy. While the American authorities are anxious to see a lasting recovery in the Japanese economy from its frailty of the last six years, they do not want that recovery to be built on the back of a weak yen that bolsters Japanese exports. And though the Japanese authorities have repeatedly promised they will not do that, but will take action to stimulate demand, thus bringing about a balanced economic recovery and a lower trade surplus, not everyone is convinced that that will happen.

"Though the US authorities have said they will not use the currency as a trade policy instrument, they are putting Japan on notice that they must now do something about domestic demand," says Mr John Praveen, senior international economist at Merrill Lynch in New York. But whether intervention, of either the verbal or the market kind, will be sufficient to bring about a stronger yen is another matter entirely.

Currencies, Page 27

Gerard Baker

Industrial output expands at sizzling pace

By Gerard Baker in Washington

US industrial production scored another sharp increase last month, further evidence the sizzling pace of economic expansion is continuing. The Federal Reserve reported yesterday output from the nation's factories, mines and power stations rose by a seasonally adjusted 0.9 per cent in March, following a 0.6 per cent rise in February.

The increase last month, the fastest for nearly a year, was remarkably broad-based with particular strength in durable goods such as cars, computers and machinery. It meant the overall rise in industrial output in the first three months of the year reached a seasonally adjusted annual rate of 5.6 per cent, up from a 4.5 per cent rate in the last quarter of 1995.

The figures, much stronger than most financial market economists had forecast, suggest the economy is still growing too fast for the Federal Reserve's comfort. Overall growth in the first quarter now seems likely to have been close to an annual rate of 4 per cent, maintaining the strong pace of 3.8 per cent in the previous quarter. Since even the most optimistic estimates of the long-term potential rate of economic growth put it at no higher than about 2.5 per cent, the current pace seems likely to result sooner or later in rising inflationary pressures.

Though figures released on Tuesday showed no sign yet of accelerating inflation at the consumer price level, there have been indications of rising wage pressures expected to lead to an upturn in inflation in the next few months.

Further evidence of tightening bottlenecks in the economy came elsewhere in yesterday's industrial production report, with the news that capacity utilisation rose to 84.1 per cent in March, up sharply from 83.6 in February. In the past a figure of 85 per cent and higher has usually been associated with an acceleration in companies' prices.

The strength of demand growth and the threat it poses to inflation has already prompted the central bank to raise interest rates once this year, and if it continues, the Fed seems likely to follow that up with one or two more increases.

Other figures published yesterday showed a slightly weaker pace of growth in the housing sector. Housing starts fell by a seasonally adjusted 6.4 per cent in March from a month earlier, the Commerce Department reported. But the decline followed an increase in February of 10.7 per cent. Overall, new housing construction remains on an upward trend.

BUSINESS WANTED?

You want to advertise in the Financial Times.

For further information please contact

Melanie Miles on +44 0171 873 3349 or

Marion Wedderburn on +44 0171 873 4874

CONTRACTS & TENDERS

BOTSWANA POWER CORPORATION
INVITATION TO TENDER
NORTH-SOUTH CARRIER WATER PROJECT - 1116/2
66/11 kV SUPPLIES TO PUMP STATIONS

The Arab Bank for Economic Development in Africa (BADEA) is supporting the funding of the North/South Carrier Water Project in Botswana. Part of this important project includes the provision of Electrical Power Supplies to the Water Pumping Stations. Therefore, the Botswana Power Corporation invites tenders for the supply, delivery and erection of the following works:

a)	Tender 1871/97	66/11 kV Power Transformers and Associated Equipment
b)	Tender 1872/97	66 kV Switchgear and Associated Equipment.
c)	Tender 1873/97	66 kV Single Circuit Distribution Lines.
d)	Tender 1874/97	11 kV Switchgear and Associated Equipment.

Tender documents may be inspected from 21 April 1997 at the offices of the Corporation's Consulting Engineers, Merz & McLellan, Plot 133, Independence Avenue, Gaborone, on Telephone (+267) 314172 or Telefax (+267) 372 800.

Tender documents will be available from 21 April 1997 and may be obtained from Merz and McLellan, Gaborone Office, on payment of US$30.00 (Thirty US Dollars) deposit for each set of tender documents. Cheques shall be made payable to Botswana Power Corporation and the amount paid will be refunded on receipt of a bonafide tender. The cost of shipping the documents to the prospective Tenderer shall be for the prospective Tenderer's own account.

Tenderers shall note that the prospective Main Contractor shall be Non-Botswana based to meet the requirements of BADEA.

Sealed tenders, endorsed with the title of the tender, shall be deposited in the Tender Box at the Head Offices of the Botswana Power Corporation, Motlakase House, Plot 1222, Industrial Sites, Macheng Way, Gaborone, Botswana, on or before the closing time and date as stated in the documents, when all tenders will be opened publicly. Alternatively, tenders may be sent, by express carrier, to arrive before the tender opening time and addressed to the Chief Executive Officer. However it must be noted that Telex or Telefax tenders will not be accepted.

K Sithole
Chief Executive Officer
Botswana Power Corporation

Members of The Bristol and West Building Society have voted

YES

to the proposal to join Bank of Ireland Group.

THANK YOU

to all who voted

It's about time

We are pleased to announce an overwhelming vote in favour of the proposed combination with Bank of Ireland Group. Subject to fulfilment of all remaining conditions, the combination is expected to take place on 28th July 1997, the Vesting Date. The distribution of cash and preference shares will take place within 28 days of this date. We will contact all eligible Members by early July with further details about the distribution of cash and preference shares. In the meantime if you have any questions in relation to the combination, please contact our Information Office on 0800 88 66 33.

BRISTOL & WEST

Head Office Address: PO Box 27, Broad Quay, Bristol, BS99 7AX.

Intellectual property organisation pays its own way but succumbs to US budget pressure

UN body suspends plans for new HQ

By Frances Williams in Geneva

The World Intellectual Property Organisation, the affluent United Nations body that looks after international patent and copyright issues, has been forced by US pressure to suspend plans for a prestigious new headquarters building in Geneva.

Wipo's budget and premises committees agreed yesterday to postpone a decision on the building, estimated to cost about SFr95m ($65m), until the organisation's annual meeting in September.

The postponement follows a report by an independent consultancy commissioned last autumn at Washington's request confirming the availability of plentiful reasonably priced office accommodation elsewhere in the city.

A US spokesman said Wipo had taken "a very wise and prudent decision" given 20-30 per cent office vacancy rates in Geneva, which has yet to emerge from a property slump.

The US campaign to stop the grandiose building project, which it described as "indefensible" in the light of the UN budget crisis, has attracted support from other countries uneasy about the cost of the Wipo plan.

The initial proposals presented by Mr Arpad Bogsch, Wipo director-general, would have awarded the building contract, without competitive bidding, to the Swiss contractor which owns the land, next door to the existing headquarters.

Wipo already occupies a 12-storey steel and glass building in the heart of the leafy UN district and recently bought a four-storey adjacent building to house its expanding patent-filing activities.

The controversy will now fall into the lap of Mr Kamil Idris, Wipo's Sudanese deputy director-general, who has been nominated to succeed Mr Bogsch when the Hungarian-born American retires this year.

Ironically, Wipo can well afford the extravagance. Rare among UN agencies, it is virtually self-supporting, making 90 per cent of its SFr150m annual income from patent fees and other revenue-raising activities.

Funds for the new building would come from the organisation's reserves, which are expected to reach SFr210m this year.

Wipo is so well-off that Mr Bogsch is proposing to the budget committee this week that government contributions be reduced by half – or even to zero – in addition to a 15 per cent cut in patent filing fees.

At the same time, Wipo plans to increase spending by 20 per cent in the 1998-99 biennium. The agency's 550-strong staff is expected to double over the next decade, though the US says further computerisation may well reduce projected requirements.

US split on how to handle Iran

Hawkish stance may drive it into Moscow's arms, writes **Bruce Clark**

Parliamentary speaker Ali Akbar Nateq-Nouri (left) meets Russian Premier Victor Chernomyrdin in Moscow: no softening of Iran's anti-western stance Reuter

The US and the European Union may have settled some of the transatlantic rows over Iran, but an argument between hawks and doves in the US over how to deal with that country is growing sharper.

Conservative politicians and pro-Israel groups are demanding that the US take unilateral military action against Tehran if it is found to have been involved in a bomb in Saudi Arabia last June which killed 19 US servicemen.

But influential members of the foreign policy establishment want a more open-minded approach – one that holds out the possibility of better relations, and even co-operation over oil and gas flows from Central Asia.

Both camps agree on some of the basic facts. First, the policy of "dual containment" – economic and military restraint of both Iran and Iraq – has failed to bring tangible results. Neither has softened its anti-western stance, and both are doing their best to build up military strength.

Second, Iran is seeking to counter-balance its isolation from the west by moving closer to Russia. Last week, as the EU downgraded relations with Tehran – following a German court verdict that linked Iran's leaders with assassinations in Berlin – very different scenes were unfolding in Moscow.

Mr Ali Akbar Nateq-Nouri, the Iranian parliamentary speaker, was cordially received by President Boris Yeltsin, who said Russia enjoyed "good, positive co-operation with Iran, which shows a tendency to improve". The visitor was made a guest of honour at the Russian Duma, whose chairman denounced the latest EU moves.

A third point of agreement is that the forthcoming presidential elections in Iran, which may well propel Mr Nateq-Nouri to supreme office, could lead to a change in Tehran's foreign policy.

For the hawks, all this information redoubles their belief that Washington should maintain unremitting pressure on Iran, and urge its allies to do so as well.

Mr Kenneth Pollack, a military analyst with the Washington Institute for Near East Policy, interprets the pre-electoral debate in Tehran as a signal that the west needs to be more vigilant than ever against Iranian misbehaviour.

"It may be that the hardliners are embattled – but rather than accommodate the west, they are more likely to lash out," he said.

Supporters of this view have expressed alarm over the latest signs of Russian and Chinese military co-operation with Iran. In the past week, they have accused China of supplying Tehran with anti-ship missiles and the precursors for chemical weapons, and Russia of providing anti-aircraft missiles.

US officials have concurred with these allegations in respect of China, but conservatives still suspect the administration of playing down the real threat in order to avoid imposing sanctions on Beijing.

At the other end of the US debate, arguments in favour of a more flexible attitude towards Iran have been forcefully laid out by two former national security advisers, Mr Zbigniew Brzezinski and Mr Brent Scowcroft, in a forthcoming article in Foreign Affairs, the bi-monthly journal.

Along with co-author Mr Richard Murphy, a senior figure at the Council on Foreign Relations, they argue that "the strident US campaign to isolate Iran... drives Iran and Russia together and its US and Group of Seven allies apart".

They call for a clear differentiation between the regime of Iraqi President Saddam Hussein, which poses a "clear and relatively simple immediate threat", and Iran, which they describe as a more complex geopolitical factor.

While agreeing that Iran's sponsorship of terrorism and its nuclear ambitions posed a threat, the authors assert: "Both... can be addressed by specific policy instruments, rather than by the current crude and counter-productive attempt to cordon off the entire country."

Worse still, the isolation of Iran had damaged US interests by frustrating US efforts to gain access to energy resources in Central Asia. Iran is the geographical key to exporting large amounts of oil from the region but US efforts to isolate Iran have hampered efforts to wean the new Central Asian republics away from Russian influence.

By forcing the cancellation of a $1bn oil deal between Iran and the US company Conoco in 1995, the administration had "served no one's interest except those of the French company Total" which stepped into the gap. The administration has also put US oil companies at a disadvantage in their efforts to secure access to off-shore Iranian energy reserves which have been opened to foreign investment.

Mr Jeffrey Kemp, an Iran specialist with the Nixon Centre think tank in Washington, believes the recent reconciliation between the US and EU could provide the opportunity for a co-ordinated G7 policy based on both carrots and sticks.

He also believes Iran may be more responsive to "carrots" once its elections are over and "it has the opportunity to turn its attention to what's going on in the world".

But in the short term, as he and most other Washington observers believe, the continuing investigation into the attack on US troops at Khobar Towers military barracks in Saudi Arabia is likely to drive the debate in the direction of sticks.

Developing world 'needs help from water companies'

By Leyla Boulton, Environment Correspondent

Western water companies have been urged to be more involved in helping developing countries create the legal and political climate that would generate private business opportunities.

Speakers at a Financial Times conference in London on the world water industry, which ended yesterday, said developing countries' rapid urban population growth and unsustainable level of subsidy for inefficient municipal operators meant that only the private sector was capable of meeting growing demand for water and sewerage.

Mr Ismail Serageldin, the World Bank's vice-president for sustainable development, urged business to follow the "best practice" of the most successful companies operating in emerging water markets. This included work to "make friends" locally and erode public distrust of private sector involvement.

The message was reinforced by Mr Thierry Baudon, managing director of the international finance division of France's Lyonnaise des Eaux.

He said companies needed a thorough understanding of the local environment. "A mercenary approach and excessive focus on the quarterly bottom line is the surest way to fail."

Mr Alain Dangeard, a water consultant who brings together the private and public sector, said companies needed to devote far more attention to the "upstream part of private sector commitment" such as legal frameworks.

Mr Serageldin reiterated earlier Bank estimates that $600bn-$800bn investment was needed in water over the next 10 years. Although his figures were queried by some speakers as excessive, all agreed that private operators were the best solution to problems such as Manila's loss of 58 per cent of water supplies which were "unaccounted for".

Britain, with the only wholly privatised water and sewerage industry in the world, is home to the only other international operators. But the sort of problems associated with such markets have discouraged all but a handful of British water companies – Anglian, Hyder, United Utilities, and Thames – from chasing business abroad.

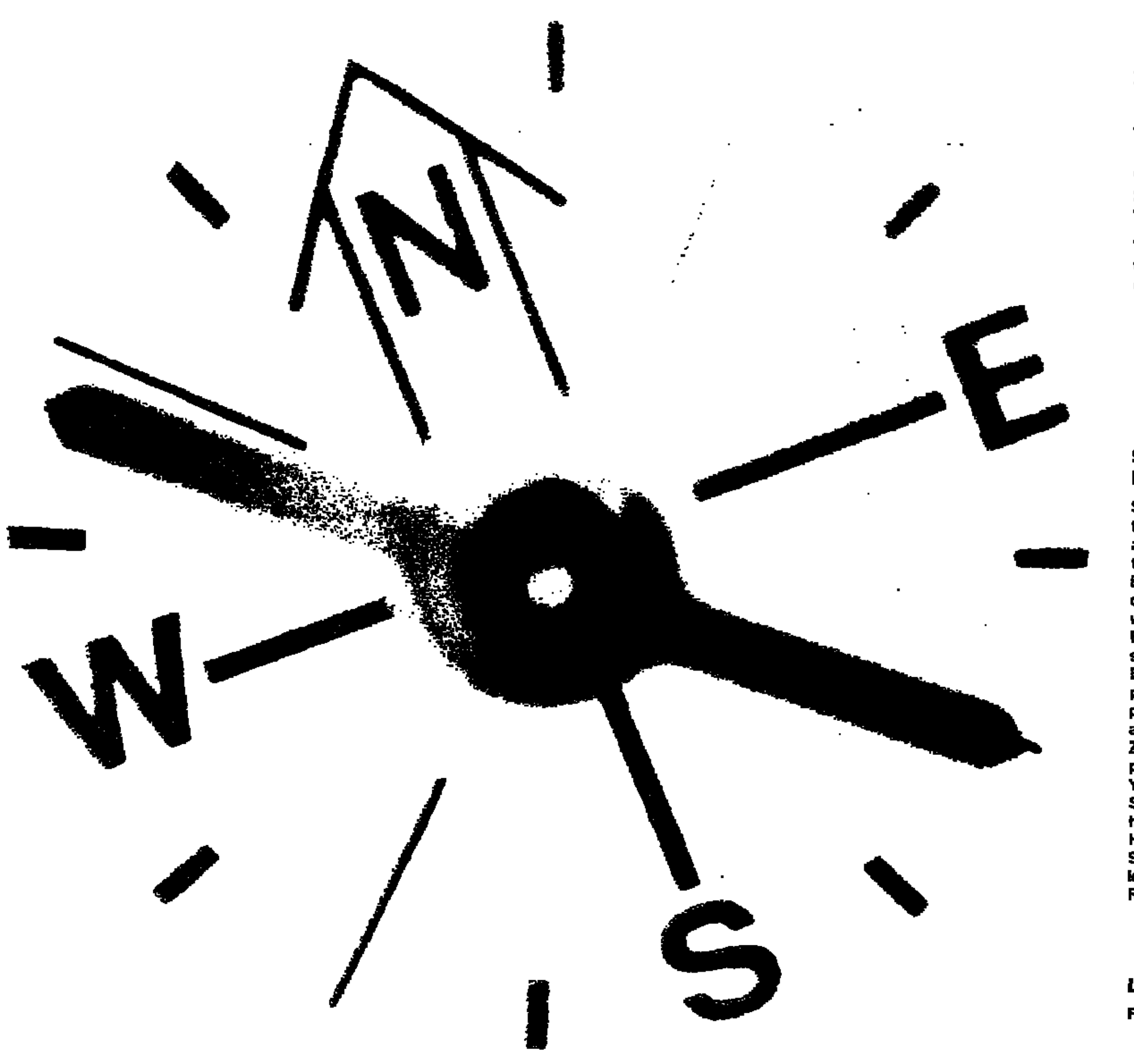
More protection for 40 at-risk species

Flamingos, dolphins, albatrosses and water birds are among 40 species added yesterday to an international listing of migratory creatures that require stronger international protection, Frances Williams writes.

Members of the UN Convention on Migratory Species, meeting in Geneva, also called for urgent action to protect the mountain gorilla of central Africa, the Siberian crane and other highly endangered species.

Mr Robert Hepworth, the UK Environment Department official who chaired the five-day meeting, said governments would now have to translate the treaty listings into reality by strengthening national legislation and international co-operation.

The 1979 convention provides a framework for countries to develop specific agreements to protect particular groups of migratory species.



It's pure Scandinavian.

THE SCANDINAVIAN VIEWPOINT

"For many years, products made in Scandinavia have had a reputation for high, consistent quality, so you won't be surprised to hear that SAS EuroBonus was selected as the best airline loyalty programme by Inside Flyer magazine. Our partnerships with airlines like Lufthansa, United Airlines and Thai Airways International enable us to offer you a route network with more than 550 destinations, of which about 100 are served directly by SAS. On the majority of routes in this network, you can earn and redeem SAS EuroBonus points."

Annika Larsson, Cabin Attendant

GLOBAL PARTNERSHIPS:
SAS, LUFTHANSA, UNITED AIRLINES, THAI AIRWAYS INTERNATIONAL

Total destinations: More than 550
Cooperation includes: Frequent-flyer programmes, check-in, harmonized timetables and lounges.

SAS EUROBONUS –
BEST AIRLINE PROGRAMME

SAS EuroBonus is based on a simple principle – the more you travel, the more points you earn, and the more rewards you receive. We're proud to inform you that SAS EuroBonus was voted the Best Airline Programme of the year by the readers of Inside Flyer Magazine. SAS EuroBonus also won first place for Best Elite-level Programme, Best Customer Service and Best Web Site, and shared first place for Best Newsletter.
But it's not only with SAS that you earn EuroBonus points. You also earn points with many of our partner airlines, eg: Lufthansa, United and THAI, as well as British Midland, Qantas and Air New Zealand. And of course you can redeem your points with these airlines.
You can also earn and redeem points at Radisson SAS Hotels worldwide, with other international hotels such as those operated by Intercontinental Hotels and Swissôtel, and with Avis and Hertz. SAS EuroBonus offers three different membership levels based on how many points you've earned: – RVC Gold, Silver and Blue.

LUFTHANSA
Frequent-flyer programme: Miles&More

UNITED AIRLINES
Frequent-flyer programme: Mileage Plus

THAI AIRWAYS INTERNATIONAL
Frequent-flyer programme: Royal Orchid Plus

For immediate enrolment or more information on EuroBonus, contact our Member Service on 0171 465 0123

For more information about SAS EuroClass and our global partnerships, visit our Internet web site, http://www.sas.se
Or call SAS on 0345 010 789

SAS EuroBonus.
The best airline programme.

SAS
SCANDINAVIAN AIRLINES

'The first new country H & R Block has entered in approximately 25 years'

US firm buys 'tax shop' business

By Jim Kelly, Accountancy Correspondent

H & R Block, the leading US preparer of individual tax returns, yesterday made its long-awaited move into the UK market by purchasing The Tax Team, a network of retail "tax shops".

"This is the first new country H & R Block has entered in approximately 25 years," said Mr Ozzie Wenich, president of H & R Block International. In 1996 the company handled around one in seven of all US tax returns.

The UK acquisition, following extensive research by the world's biggest tax form preparation company, comes after the UK launch of a self-assessment regime for 8.5m taxpayers who were last week sent their new tax forms.

The purchase marks a tentative step into the UK market, in which around 4m taxpayers currently do not seek professional help when filing in their tax forms.

Tax experts forecast the new system could open up a £155m ($251m) market.

H & R Block is known to have considered setting up its own franchise operation in the UK and the sector expected it to team up with a leading financial services group to offer its own tax shop services.

The move will be seen as a further indication of the uncertainty surrounding self-assessment. The Inland Revenue believes the new tax forms will not require anyone to turn to professionals for advice. Tax experts disagree and predict a drift to tax shop services in the next five years.

The move will be closely monitored by accountants and other tax advisers to see if the retail tax shop model proves more popular than the traditional services provided by accountancy firms with local branches.

Self-assessment affects the self-employed and those with complicated tax affairs. It requires taxpayers to declare income on a single new form – rather than working with the Inland Revenue to assess tax liability.

The UK link-up is significantly more up-market for H & R Block and a long way from the basic tax form filing service offered in the US, where all taxpayers are part of a self-assessment system.

In the US H & R Block operates through 10,000 offices and has up to 15 per cent of the market.

The Tax Team has just 12 offices in the UK – although it has identified a further 10 sites for expansion by the end of the year. It is run by Mr Gerry Hart, a former president of the Chartered Institute of Taxation, who will remain in charge in the UK.

"This is not the US model being imported," he said. "There will be people out there cheaper than us because in the UK not everyone has to file a return – if you do, then you have relatively complicated tax affairs."

French set to invade 'garden of England'

The county of Kent is known as the "garden of England", but two events next week could help turn it into the workshop of France.

On April 25, a group of French entrepreneurs will hold a press conference in Paris to explain why they are escaping France's high employment costs by moving to south-east England. The day before, a group of Kent-based company executives will travel to Lille to develop links with companies in France.

These events come as a growing number of French companies look at expanding into Kent, attracted by low employment costs and transport links with mainland Europe.

Mr Robert Ashmead, chief executive of Locating Kent, a company working to attract inward investment, said 50 French companies had made serious inquiries about moving to the region in the past six months. Mr Ashmead expects five to 10 of them to be established in Kent this year.

They will join other recent arrivals including French water company Générale Des Eaux; petrochemicals producer Elf Aquitaine; and Rhône Poulenc, the chemicals and pharmaceuticals giant.

Companies are attracted by low employment costs and good transport links

The French invasion of Kent has been assisted by what Mr Ashmead calls a "crusade" by Mr Olivier Cadic, the head of Info Elec, a small high-technology company starting operations in the Kent town of Ashford this month.

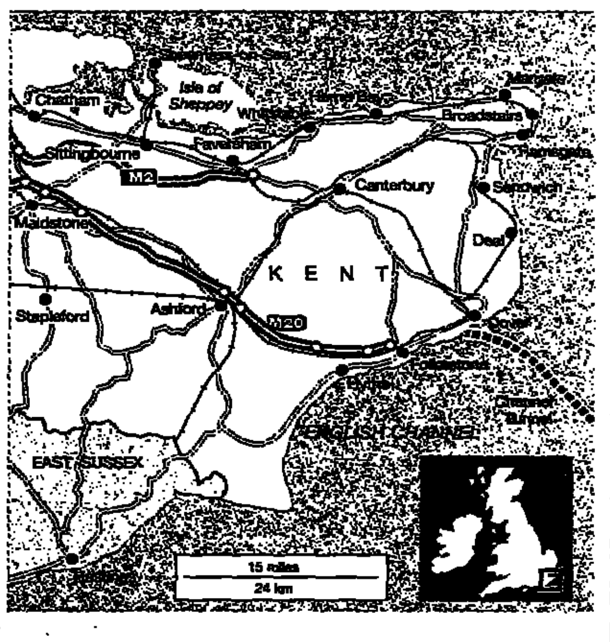
Mr Cadic and a group of fellow entrepreneurs have called the Paris press conference to explain why "the air is more pure" in the UK.

Mr Cadic has rallied a strong following in France, launching an association called La France Libre...d'Entreprendre, after claiming to be "shocked" by the UK's modest social security charges, as well as its lower income tax and cost of living.

Employing a worker with a salary of £10,000 ($16,200) can cost a company in France £3,500-£4,800 in payroll taxes, depending on exemptions. In the UK, by contrast, an employer is only obliged to pay £700 in social security contributions on an annual salary of £10,000.

"To have a French national standing up loudly and publicly saying on French television 'I think Kent is a good thing' is very helpful," Mr Ashmead said. In September, some 200 French companies will be attending a conference sponsored by Mr Cadic on relocating to the area.

Fifteen of La France Libre's corporate members are relocating to the UK and three are due to explain why next week. Mr Ashmead said the lower employment costs were a "significant" factor behind the French interest. "There is really only one issue that drives business, and that's the bottom line," he said.



Kent's recent infrastructure improvements – new motorways and bridges – have also helped, along with the Channel tunnel between England and France and sea routes. "If you go down to Dover [port], the traffic is staggering. It's not just bootleggers – most of the passengers are businessmen," said Mr David Oxlade, a local government business development officer. UK companies in Kent are waking up to their improved access to France, Belgium and the Netherlands, he added.

Danisco Pack Westminster, a packaging company, is one of 30 Kent companies attending the cross-Channel conference in Lille next week. Mr John Bromiley, managing director, said: "We're hoping that by being there, people will understand that we are positive about exporting to France."

Richard Adams
Andrew Jack

London airports noise suit dropped

By John Mason, Law Courts Correspondent

The government has decided not to defend proposed noise restrictions at London's three main airports.

The Department of Transport yesterday decided that it would not fight a legal challenge to the restrictions. The challenge was brought by the International Airline Transport Association (IATA). Instead, the government plans fresh consultations.

The department told the High Court in London it had abandoned plans to fight Iata's action, agreeing that its consultation between October 1995 and February 1996 was flawed because airlines were not given the chance to consider new technical data.

Its proposals, announced last August, would reduce noise at Heathrow, Gatwick and Stansted airports and improve monitoring by resiting equipment. They include lowering the noise limits for daytime take-offs from 97 decibels to 94 decibels and for night departures from 89 decibels to 87 decibels.

However, Iata protested that the proposed restrictions were tighter than those in international agreements aimed at phasing out old and noisy aircraft by 2002.

Iata was permitted to challenge the government in December and introduction of the regulations was delayed until after the hearing.

New consultations will begin after the general election on May 1

Iata welcomed the consultation because it believes that the original August decisions were not workable for airlines and would have had the effect of unnecessarily increasing noise nuisance to residents in many areas.

UK NEWS DIGEST

US envoy seeks IRA ceasefire

The Northern Ireland peace process cannot move forward without an unequivocal ceasefire from the Irish Republican Army, Admiral William Crowe, US ambassador to the UK, said yesterday. Dialogue on the region's future was possible only when there was no threat of violence, he said when opening a centre for emigration studies at the Ulster American Folk Park near Omagh, in the west of Northern Ireland. US investment, the biggest source of non-UK investment in Northern Ireland last year, would, he claimed, bolster those seeking a peaceful solution.

■ UNEMPLOYMENT

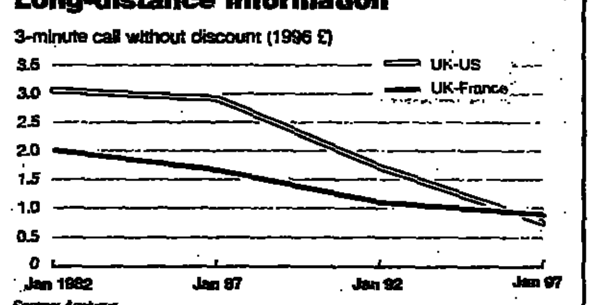
Jobless figures lowest since 1990

The number of people unemployed and claiming benefit fell to its lowest level for six and a half years last month, official figures showed yesterday. "Claimant" unemployment fell 41,100 to 1.7m in March, after adjusting for seasonal effects. The unemployment rate declined to 6.1 per cent of the workforce, its lowest since September 1990. The claimant is distorted by last year's introduction of the Jobseeker's Allowance, which tightened the rules on benefit eligibility. Officials said it was impossible to calculate an underlying trend, although the fall in unemployment over the last six months clearly exceeded the 15,000-20,000 a month recorded in mid-1996. The Labour Force Survey, based on household interviews, showed that the number of people in full-time employment rose by 135,000 between December and February. *Richard Adams*

■ TELECOMMUNICATIONS

Long-distance information

3-minute call without discount (1996 £)



Source: Analysys

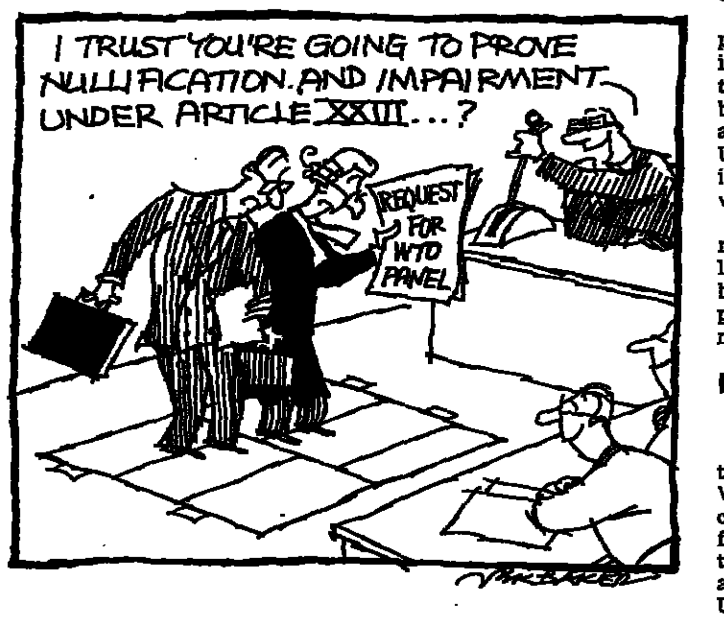
Transatlantic call costs decrease

It now costs less to make a business phone call from the UK to New York than to Paris or Frankfurt, as increasing competition on the transatlantic route continues to drive down prices. A three-minute call to New York, routed over British Telecommunications' network, costs 76 pence without discounts while a similar call to either European destination costs 91 pence, according to the Analysys telecoms consultancy. In January 1987, a three-minute call across the Atlantic cost £2.93 ($4.74). Today's low prices are a consequence of competing operators "falling over themselves to offer businesses cheaper rates" Analysys says. *Alan Cane*

BUSINESS AND THE LAW

Shadow cast over WTO

Mark Clough on the settlement of international trade disputes



Strengthening the dispute settlement procedure agreed at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (Gatt) was expected to increase the "legalisation" of international trade disputes.

The main change introduced by the World Trade Organisation's rules and procedures for disputes settlement is that members may no longer unilaterally choose not to adopt WTO panel reports. Under the new system, there is a right of appeal on a point of law but ultimately a panel report may only be rejected by unanimity.

Already, the first two years of the WTO dispute settlement body have produced 70 panels. Although a significant user, the US approach to the dispute process raises a number of concerns.

The photographic film case instigated by Eastman Kodak, the US photographic equipment group, illustrates well certain discrepancies between US policy and practice as well as the opportunities available for unmeritorious claims under the WTO dispute settlement understanding.

In 1995 Kodak, which has 70 per cent of the US film and photographic film market, filed a complaint under Section 301 of the 1974 US Trade Act against its main rival Fuji, which has 70 per cent of the Japanese market.

The complaint concerned access to the Japanese film market. In 1996, an election year, the US initiated a WTO dispute settlement procedure. It alleged that Japanese government measures constituted violations of the Gatt, the General Agreement on Trade in Services (Gats) and an obscure 1960 Decision on Arrangements for Consultations on Restrictive Business Practices. Consultations were requested under each trade instrument.

After 12 months, the battle lines have changed. The US thus far has requested only a panel under the Gatt concerning Japanese distribution guidelines, a planning law known as the Large Stores Law and various Japanese laws on product promotion.

Interestingly, the only substantive violation of the Gatt alleged by the US against Japan is that the Japanese Ministry of International Trade and Industry's (Miti) distribution guidelines breached the national treatment provision of Article III:4.

Consultations under the 1960 Decision (the only remedy available), have not progressed following a request by Japan for reciprocal consultations on the US film market. The Japanese allege that the US film market has substantial barriers of its own for imported film.

The main issue is market access. The US claims Japanese government distribution guidelines accord its imports less favourable treatment than Fuji's Japanese products. However, the US is not able to cite any Japanese government measure that treats imports differently from domestic products. All measures cited treat both in the same way.

The one Japanese government measure that could affect imported products differently – import tariffs – is set at zero for photographic film. In contrast, all Japanese imports are subject to a 3.7 per cent US tax.

Kodak's real concern is that its vertically integrated distribution system is less effective than Fuji's distribution system.

Fuji uses four independent wholesalers in Japan. Kodak says it cannot use the same ones. It alleges that this somehow violates international trading rules. However, Kodak does not deny that single brand wholesale distribution is the norm worldwide. Indeed, Kodak fails to explain why single brand wholesale distribution is perfectly acceptable in the US but not in Japan.

Since the Article III case is weak, the US relies on a non-violation claim alleging that the benefits of Japanese tariff concessions agreed during the Kennedy and Tokyo Gatt rounds had been "nullified or impaired" under Article XXIII:1(b) of the Gatt.

The chronology of the US allegations themselves reveal that the conditions for the application of Article XXIII:1(b) cannot be satisfied. First, single brand distribution was already established in the Japanese photographic film market before adoption of any of the government measures complained about by the US. There is, therefore, no causal connection between the government measures at issue and the competitive condition (single brand distribution) complained about by the US.

Second, for a nullification and impairment claim to succeed, it must be shown that a government measure subsequent to the tariff concession nullified and impaired the benefit of the concession. In the present case, the tariff concessions in issue were made during the 1979 Tokyo and 1994 Uruguay Rounds. The Japanese government distribution measures under attack, however, were adopted in 1970 or before.

Kodak's real concern is that its vertically integrated distribution system is less effective than Fuji's distribution system

Bearing in mind that past panels on this article have only rarely succeeded and then only in clear cases where tariff concessions have been counter-balanced by subsequent subsidies to the domestic industry, the present case is flimsy.

The US non-violation complaint concerns competition issues such as vertical integration in distribution, competition between small and large stores, and promotion practices. But the US may not raise competition issues under the Gatt non-violation rule.

The most it could do is to promote the working group established to study the interaction between trade and competition policy by the Singapore WTO ministerial meeting.

The US has been consistently reluctant to see the WTO address competition issues. However tempting it may be to utilise the WTO panel process to address competition law issues, it is clear from the WTO Singapore declaration that competition is not already covered by the Gatt. The US has itself also argued for very narrow legalistic interpretations of the Gatt obligations by panels.

As one of the only two third parties involved in the case, the European Union should be cautious. The US interpretation of the Japanese town planning and promotional laws in issue could equally apply to equivalent EU member state laws.

Rulings by the European Court of Justice saying that national marketing rules that are not directed against imports are not subject to the EU's free trade rules might also be put in doubt.

The Kodak/Fuji case indicates that the provision of the WTO dispute settlement understanding for consultation prior to the establishment of a panel may not be sufficient to prevent unarguable defences or claims that clearly lack merit.

It may prove necessary to introduce preliminary procedures to test the admissibility of requests for the establishment of a panel, or, the arguability of defences. In particular, where it cannot be shown that there is any measure to which alleged nullification and impairment can be linked under Article XXIII, there should be a procedure that permits such a request to be declared inadmissible at the outset.

The author is a partner of Ashurst Morris Crisp, the City solicitors

LEGAL BRIEFS

Houthoff joins international joint venture

Houthoff, the Dutch law firm, has joined the Conference of European Lawyers, an international joint venture between law firms in Belgium, France and Germany.

The other member firms of the conference are the Brussels firm, Liedekerke Wolters Waelbroeck & Kirkpatrick, the Paris-based Siméon & Associés and Wessing Berenberg-Gossler Zimmermann Lange, which has offices in Düsseldorf, Hamburg, Frankfurt, Munich, Berlin and Leipzig.

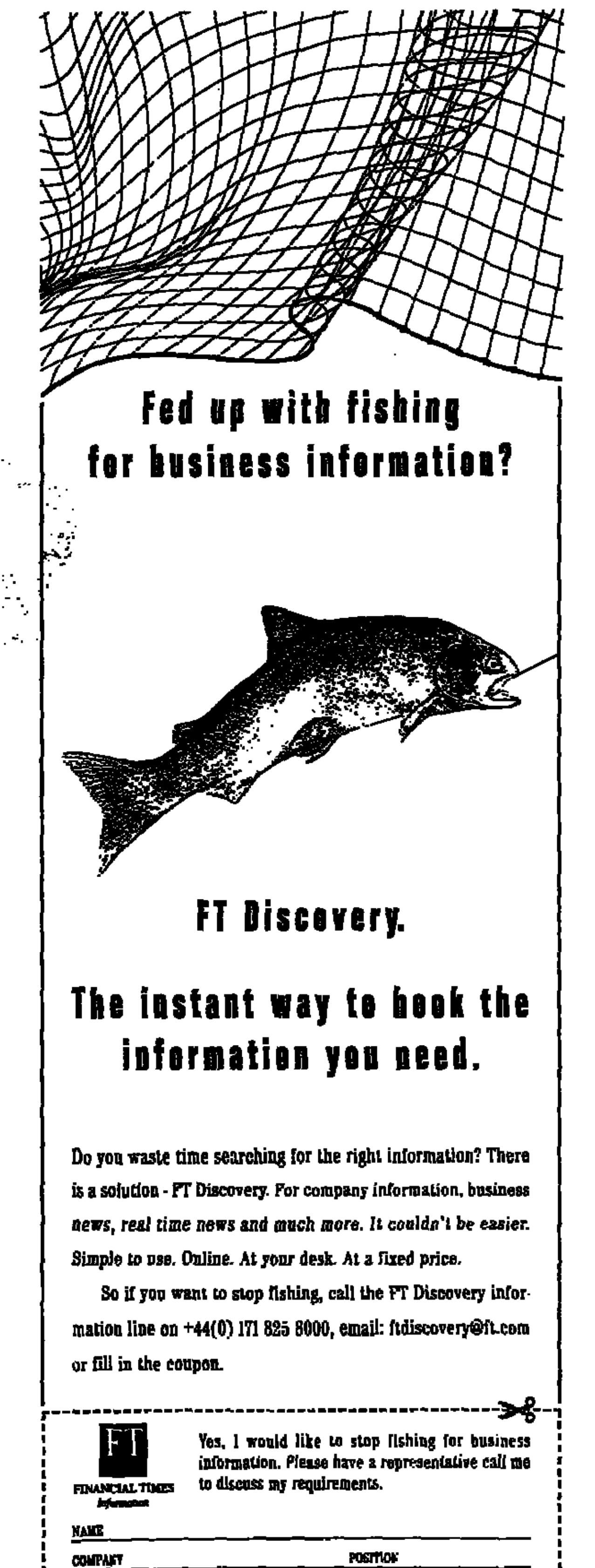
The four firms have established a joint office in Brussels with 25 lawyers trading under the name Liedekerke Siméon Wessing Houthoff.

Houthoff expects the move to strengthen its Dutch competition law practice. A new competition law for the Netherlands is planned for 1998 based on European Union rules. It provides for strengthened restrictions on cartels and abuses of market power and introduces a compulsory pre-clearance procedure for acquisitions and joint ventures for transactions involving a combined turnover of Fl 250m (£80m) or more. In applying the new rules, Houthoff expects Dutch competition authorities to follow closely the EU's competition law precedents.

Conference call

Jane Betts, the first woman secretary-general of the Law Society in its 150-year history, has urged women solicitors to "breach the walls of Chancery Lane" (the society's headquarters) and seek election to its governing council.

Speaking at the third annual Women Lawyers Conference in London, at the weekend, she said although the law was edging towards a gender balanced profession, women still had considerable barriers to overcome, particularly in areas such as equal pay.


Fed up with fishing for business information?

FT Discovery.

The instant way to book the information you need.

Do you waste time searching for the right information? There is a solution - FT Discovery. For company information, business news, real time news and much more. It couldn't be easier. Simple to use. Online. At your desk. At a fixed price.

So if you want to stop fishing, call the FT Discovery information line on +44(0) 171 825 8000, email: ftdiscovery@ft.com or fill in the coupon.

FT FINANCIAL TIMES Information

Yes, I would like to stop fishing for business information. Please have a representative call me to discuss my requirements.

NAME
COMPANY POSITION
ADDRESS
POSTCODE
OFFICE PHONE NUMBER
NATURE OF COMPANY'S BUSINESS

Phone FT Discovery Information line on +44 (0) 171 825 8000 or email: ftdiscovery@ft.com or post to FT Discovery, Financial Times Information, Fitzroy House, 13-17 Epworth Street, London, EC2A 4DL.

FT Discovery

PM begs his party not to 'bind my hands' on EU

By John Gapper in London

Mr John Major, the prime minster, yesterday launched an impassioned effort to stem divisions in Britain's ruling Conservative party and persuade its candidates to support his policy on European Monetary Union.

After two junior ministers breached an agreed stance in election addresses, Mr Major appealed in emotional terms for support for his policy of not ruling out British entry *to a single currency in the* first wave in 1999.

The appeal by Mr Major at a media briefing, and later in a televised broadcast, brought the issue of European integration to the forefront of the election campaign, provoking opposition claims of Tory chaos.

Mr Major's impromptu 20-minute speech, in which he appealed for Conservatives not to "bind my hands" in talks with EU states, was in *response to the junior minis*ters' election statements, which said they opposed joining a single currency.

The Labour party called on Mr Major to demonstrate his grip on his party by sacking Mr John Horam and Mr James Paice, but Mr Major merely chose to rebuke the two ministers in public for having been "very unwise".

The general election campaign

Mr Major set out his detailed reasons for not having ruled out the UK joining a single currency, despite strong pressure from the Eurosceptic wing of his party to take a decisive stand against joining Emu.

He argued that a single currency could bring low inflation and increase the living standards of people across Europe, but "the eco*nomic catastrophe* across the whole of Europe would be beyond calculation" if a single currency failed.

"My policy has been, on an issue of such importance *that we have never seen its* like in the political lifetime of anyone alive today, that we would negotiate until we knew what was involved, and then we would decide," Mr Major said.

Mr Major insisted ministers would have to stick with his "negotiate and decide" stand or face discipline, and that all ministers joining a future Conservative government would be made to accept collective responsibility.

However, leading Eurosceptics said they would maintain opposition to joining a single currency under any circumstances.

Mr Gordon Brown, Labour's shadow chancellor of the exchequer, said Mr Major's remarks and the actions of his minsters showed the split in the Conservatives' ranks to be so deep "that the people of this country must conclude they *are no longer capable of gov*erning effectively".

Mr Major's statement had sounded like "a rehearsal for his resignation speech", Mr Brown said.

Editorial Comment, Page 13

Strident 'Union Jack' tactics deplored in Brussels

Negotiators have had enough of dealing with a weak government, reports **Lionel Barber**

With a fortnight to go until polling day, the European Union is *watching* nervously as Conservatives and Labour slide into a "Union Jack" campaign, with both of the biggest parties in the UK outbidding each other on as fisheries, monetary union and social policy.

Mr John Major, the prime minister, ratcheted up pressure on Labour yesterday with a speech which barely preserved the government's option of joining the single currency. Whether the UK would move into a federal European Union was now central to the campaign, he declared.

An EU commissioner in Brussels disagreed. "The most important issue is how much Conservatives and Labour give away on Europe in the next fortnight, and how much they have to untangle in the first weeks of government."

From Europe's vantage point, the margin of manoeuvre for the next British government is critical. In the next 12 months, the EU faces decisions which will shape its future for a generation.

These include the terms of *enlargement to central and east*ern Europe, the future size of the EU budget, reform of the Common Agricultural Policy, membership of the planned single currency, and the Maastricht treaty review conference (IGC) in June.

> "The Conservative party is rapidly becoming the English nationalist party," Sir David Steel, an elder statesman of the pro-European Liberal Democrat party who is retiring from the House of Commons after more than 30 years, said yesterday. "The prime minister's commands from the bridge have been ignored and his inability to act demonstrates that he is now a prisoner of his party's xenophobes," said Sir David.

For the past two years, notably in the IGC negotiations, British diplomacy in Europe has been virtually paralysed. A small but vocal group of Eurosceptics has exploited the wafer-thin Conservative majority in the House of Com*mons to dominate policy. Only* Mr Kenneth Clarke, the chancellor of the exchequer, has stood firm.

"What has been so painful has been dealing with a weak government," says a senior IGC negotiator. "We just hope that we will have a stable government after the election which is not always afraid of losing its majority."

From Europe's point of view, what counts most on May 1 is the margin of victory. The worst result would be a hung parliament or a tiny majority. It would mean a repeat of Mr Major's experience, in which a tiny minority meant he could rarely be relied upon to deliver at the negotiating table.

In spite of the semblance of neutrality, EU governments back Mr Tony Blair and the Labour party because they have the best chance of securing a sizeable majority. But Europe's enthusiasm for "new" Labour is no longer as unqualified as a year ago. Then, frustration with Mr Major's futile "beef war" was at a peak; now policymakers in Europe are scrutinising Mr Blair's policies and arriving at the same verdict as a German diplomat: "Not radically different from Mr Major."

On the single currency, the Labour party manifesto states that there are "formidable obstacles to Britain being in the first wave of membership if Emu takes *place on January 1 1999*". Mr Robin Cook, shadow foreign secretary, recently stretched the language to suggest that the UK would not join in the lifetime of the next parliament – that is, until 2002.

Eurosceptic minister John Horam (left) declared yesterday that he supported the Major government's "wait-and-see" approach to the EU single currency, but Conservative dissent continued unabated. John Redwood (right), the ex-minister who challenged Mr Major for the party leadership in 1995, said yesterday: "On principle, I oppose the single currency economically, constitutionally and politically".

On the issue of non-UK trawlers exploiting British fishing quotas, Mr Blair declared this week that the next government was "perfectly prepared to be isolated" where Britain's interests are at *stake. But the Labour leader* stopped short of copying Conservative threats to hold the IGC to ransom over so-called "quota hopping".

Even on social policy, where Labour has broken with the Conservatives and agreed to sign the Social Chapter, some senior European diplomats wonder whether Mr Blair is still wedded to taking on all the obligations of the old Maastricht treaty or a new *employment chapter in Maas*tricht II.

On defence, Labour shares Conservative opposition to Franco-German proposals for a phased merger of the EU and the Western European *Union*, its fledgling defence arm. Both parties are also opposed to ceding national control over borders to supranational decision-making in Brussels.

The Labour party insists that its strategy is to talk tough on Europe while keeping all options open, including a decision on whether to join Emu. The first test will come on May 23 when an EU summit is held in Maastricht.

The Dutch presidency views a special summit as a chance to break the deadlock in the IGC, where negotiations have stalled. In fact, the blame lies not only with British intransigence. Other countries have hidden behind the UK as a means of avoiding concessions.

Any British government can expect a modicum of goodwill next month in Maastricht. But the price will be a readiness to strike a deal on two fundamental issues. The first is "flexibility", whereby countries are allowed to co-operate more closely with others without being held back by laggards. The second is a dilution of unanimity through more majority voting. Neither will be easy for Britain.

Yet without a compromise, France, Germany and others will be tempted to achieve what they want outside the treaty.

Election news at the Financial Times website http://www.FT.com

Labour win 'would boost European unions'

By Robert Taylor, Employment Editor

The election of a Labour government would pave the way for stronger trade union rights across the European Union, Mr Emilio Gabaglio, general secretary of the European Trade Union Confederation, said in London yesterday.

"Once they are around the table in Brussels I believe Labour government ministers would be fair negotiators for their country's interests," Mr Gabaglio told the Financial Times. "But they would also share a wider vision of Europe and be seeking solutions of mutual benefit, not adopting an ideological position. It would be back to business as normal with dialogues and discussions," he said.

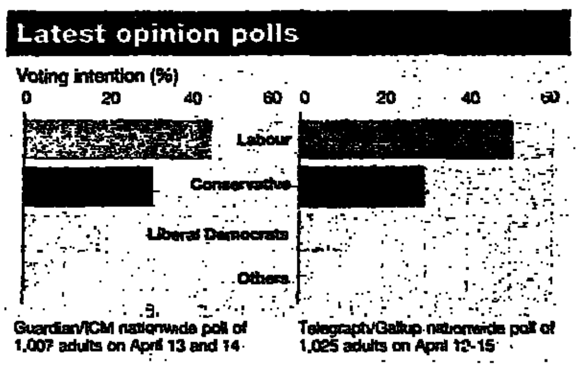
Mr Gabaglio met UK union leaders in London yesterday to set out the future European industrial relations agenda to combat unemployment and strengthen worker and union rights. On May 28 the British Trades Union Congress and other EU union organisations plan a "day of action" to support demands for treaty changes at the EU's inter-governmental conference in Amsterdam in June.

"The European unions have succeeded in imposing a social agenda on the EU and I am determined we will achieve what we want in Amsterdam," said Mr Gabaglio. The union demands include:

- Inclusion of an employment chapter in the new EU treaty that is "substantial and not window dressing".
- Integration of the social protocol of the Maastricht treaty into the new treaty. Under Labour the UK would accept that decision.
- Establishment of job creation targets with monitoring procedures on how member states implement policies to cut unemployment.
- Recognition in the new treaty of fundamental social rights, including a commitment to non-discrimination and protection of workers' rights to organise in trade unions and bargain collectively, especially with transnational companies.

The European unions are also pressing for legislation requiring employers to consult workers before plant closures. If a company did not do this, closures would be declared "null and void" under the proposed directive.

LABOUR PARTY LEAD MAINTAINED



Guardian/ICM nationwide poll of 1,007 adults on April 13 and 14

Telegraph/Gallup nationwide poll of 1,025 adults on April 12-15

A poll for ITN, the television news provider, indicates *that most voters think Britain should keep its options* open on the European single currency. Only 27 per cent said the single currency should be ruled out; 72 per cent said options should remain open. The poll by MORI of 507 voters in marginal seats showed that voters favoured candidates expressing their own opinions on Europe. Voters were also asked which party leader they thought would best representing their views on Europe. Tony Blair came top with 34 per cent and John Major polled 29 per cent

SKW TROSTBERG DIALOG

SKW fully meets expectations in 1996
Results from operating activities reach record level
Dividend increase to DM 1.10 per DM 5 share proposed

1996 was another successful year for the SKW Group. Forecasts for the year were fully reached, even slightly surpassed in some cases. Sales rose marginally to DM 3.91 billion from DM 3.88 billion in 1995. Without acquisitions and disinvestments, the increase would have been 5%. Business outside Germany accounted for 53% of group sales, reflecting the growing internationalization of SKW's business. Results from operating activities climbed from the record year-earlier figure of DM 281 million to DM 286 million. The group's pretax profit grew substantially due to the non-recurring IPO cost in 1995 and to lower interest expenses. After SKW became one of the world's biggest suppliers of gelatin and food additives by purchasing SBI Systems Bio-Industries in 1995, the Master Builders Technologies (MBT) acqui-merger at year-end 1996 has made SKW-MBT the worldwide leader in construction chemicals.

ALL DIVISIONS POST GAINS IN 1996

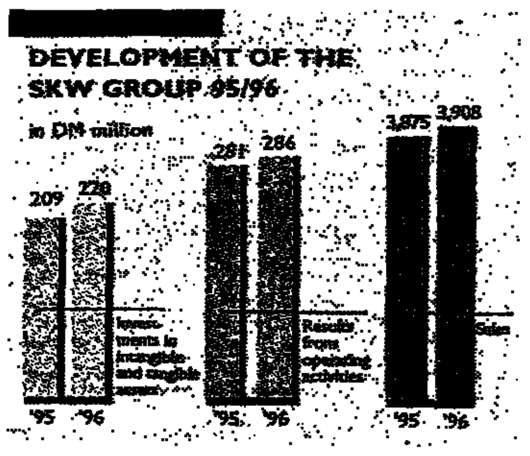
The **Nature's Products Division** maintained its position as the largest contributor to group sales (40%). The world market leader in gelatin, SBI increased both sales and earnings; despite rising prices of raw materials, its good market position in hydrocolloids was maintained. Salt products also enjoyed a rewarding year. The **Chemicals Division**, which increased sales by 3% and accounted for 33% of group sales, posted good results in special and fine chemicals, and a satisfactory performance in agro- and industrial chemicals. Chemicals for metallurgy suffered from weakness in the steel industry in West and East Europe. The **Construction Chemicals Division** (without MBT) boosted sales by 6% and achieved 27% of group sales. Restoration and renovation business again played a stabilizing role against the adverse effects of different market developments in Germany, elsewhere in Europe, and North America.

DIVIDEND TO RISE AGAIN

It will be proposed to increase the dividend from DM 1 to DM 1.10 per DM 5 share. The total dividend payout will then rise to DM 69.3 million.

OUTLOOK 1997: STRONG GROWTH IN SALES AND EARNINGS

The full consolidation of MBT in SKW's Construction Chemicals Division will drive up this division's sales from DM 1 billion to around DM 2.5 billion. Group sales are expected to surge from DM 3.9 billion to about DM 5.3 billion. The restructuring of SBI and measures to bolster efficiency will lead to substantial improvement during this year. The Chemicals Division will profit from continued favorable market conditions in the chemicals sector and from the expected recovery in Europe's steel industry, which is the largest user of our metallurgical chemicals.
SKW's new group structure, effective cost management, systematic portfolio optimization, and group-wide measures to expand market positions will further improve the return on group sales.



For a copy of SKW's interim report, please fax (+49) 8621-2040

SKW Trostberg AG is an international chemical company committed to chemistry as a natural science and to its application in industry and consumer markets. To achieve its objectives, SKW offers highly specialized expertise to supply quality products, services, and systems in the fields of Nature's Products, Chemicals, and Construction Chemicals. Ongoing innovation enables SKW to deliver added value to its clients worldwide.

SKW TROSTBERG

SKW TROSTBERG AG
Investor Relations
P.O. Box 1262, D-83303 Trostberg, Germany
Tel. (+49) 8621-2430
Fax (+49) 8621-2040
A COMPANY OF THE VIAG-GROUP

Net gain.

FINANCIAL TIMES
UK ELECTION '97

From the hustings to the House, our Internet site, FT.com, not only keeps you posted on the unfolding campaign – it gets you involved.

Talk through the key election issues in one of our seven discussion groups.

Add your vote to our weekly Straw Poll.

Use our Net Resources to get directly to the parties and politicians.

Then read our authoritative comment and analysis for what will really count when you come to mark your cross on May 1.

http://www.FT.com

Financial Times.
World Business Newspaper.

Julia Roberts and Woody Allen in 'Everyone Says I Love You': the comedy – in exotic locations – survives the musical routines

Cinema

Harmless fun from angst-free Allen

EVERYONE SAYS I LOVE YOU
Woody Allen

THE SAINT
Phillip Noyce

METRO
Thomas Carter

THE ADDICTION
Abel Ferrara

THE FUNERAL
Abel Ferrara

BOX OF MOONLIGHT
Tom DiCillo

One feared the worst: a musical comedy by Woody Allen, featuring "an eccentric and very extended family living in New York"? Even for a director who famously airs his private concerns on screen, this seemed like a bridge, and a couple of choruses, too far.

But worry not; this is the angst-free, guilt-purged Woody having harmless fun with friends in exotic (if predictable) locations – Venice, Paris, his inevitably beautiful native city, looking classier in this company than it has any right to.

Right from Allen's first appearance, caught in his kitschest Cartier-Bresson pose along the Seine with furrowed brow and *baguette* clutched tightly under his arm, *Everyone Says I Love You* settles into a pleasant, parodic groove which sustains it through the moments of occasional embarrassment. These, unsurprisingly, come from the musical routines which are never successfully integrated into the comedy. To compensate for lack of ability (only Goldie Hawn knows how to deliver a song), Allen splashes on the irony and the knowingness; but it is not enough.

This most romantic of directors of all people should know that you have to *believe*; that when Astaire shaped up to dance, or Sinatra to sing, it may have been cheesy as hell, but their sheer talent created a weird kind of magic. If you want to poke fun, you cannot get the magic; it is as simple as that.

Still, the humour, safely contained within the boundaries of Allen's usual pre-occupations, rarely misses the mark – Alan Alda, Hawn and Allen as the comfy husband-wife-ex-husband triangle, sparkle with an ease and grace that we have come to take for granted. Julia Roberts, too, proves an adept if familiar Allen heroine. And though we have seen the eavesdropped therapy sessions, the clumsy courtships, the improbably joyous endings before, it still leaves you with a broad smile on your face.

As does one of the barmiest seduction scenes ever to hit the screen in Phillip Noyce's *The Saint*. Val Kilmer plays the mercenary master-of-disguises Simon Templar, who is commissioned to steal the priceless secret formula for cold fusion from "eccentric" electro-physicist Emma Russell (Elisabeth Shue), who wants nothing more for her efforts than "warmth for the whole world".

Which is how we find ourselves in an Oxford pub and that unforgettable scene: Templar, using left-over wardrobe from Kilmer's stint as Jim Morrison, is posing as an impossibly romantic South African artist. Russell is understandably suspicious of this handsome rogue, and nervously shuffles her secret formula for cold fusion in front of him. Then she stuffs it inside her bra. Templar, not to be outdone in the unorthodox-uses-for-underwear stakes, pulls out some £50 notes from his crotch and orders a couple of bottles of '57 Latour. He now needs to get into her bra, you see. Strictly for the cold fusion formula (although he does ask: "What else do you keep in there?", a question that may be asked of the screenwriters' brains). To cut a lunatic story short, they get together in Moscow to foil the evil Ivan Tretiak (Rade Serbedzija), a Bolshevik who looks like a Bee Gee, before going on to warm the world, which I suppose makes a change from ruling it. Charmless nonsense.

I hesitate to describe *Metro* as an Eddie Murphy vehicle, for fear that it will be driven at high speed, mangled into Meccano parts and blown high into the San Francisco skyline; and it doesn't quite deserve that. The spectacular car-tram chase at the heart of the movie is by far its most impressive moment. Unfortunately, someone seems to have lost the script for the second half of the film, which relies overheavily on Murphy's charisma. His explosive battles with villain Michael Korda (Michael Wincott) are not half as taxing as his love scenes with girlfriend Ronnie, played by Brit newcomer Carmen Ejogo, who acts as if she has just swallowed the secret formula for cold fusion.

It seems wilfully perverse to see two films by Abel Ferrara, never the most digestible of directors, released on UK screens in the same week, particularly when one of them is as hard to imbibe as *The Addiction*. Groovy NYU continental philosophy student Kathleen (Lili Taylor) spends her day studying pictures of Holocaust victims and tries to square the horror with the portentous pronouncements of the Dead White European Males, Nietzsche, Sartre, Heidegger *et al*, whom she studies in class.

But before she can say will to power, she is attacked in the street by a glamorous vampire (Annabella Sciorra), after which, as legend demands, she begins to seek some corpuscular capers of her own. She quenches her thirst on the throats of her philosophy professor, a tramp in the street, her best friend; but still her metaphysical meanderings remain tortured and unanswered.

Remarkably, given the distractions, she manages to complete her doctorate and celebrates in the only way she knows how – by turning the entire faculty into fellow vampires at a party. At no point does anyone in authority seem alarmed by these developments, but that is free-thinking philosophy departments for you. Poor Nietzsche; he has been blamed for many of this century's most horrible episodes, among which the rise of Nazism – and this sorry piece of pretentious schlock really is unforgiveable.

Peter Aspden

Watching the other offering from Abel Ferrara this week, a blithely unnerving *Mafiadrama*, is like watching spiders at play. The main arachnids in *The Funeral* – mob boss Ray Tempio (Christopher Walken) and his disturbed brother Chez (Christopher Penn) – lead a dance of death, vendetta and psychological torment. It sweeps up wives (Isabella Rossellini, Annabella Sciorra), siblings, cronies and finally themselves.

Though union battles play a role in Nicholas St John's 1930s-set script, the story and structure were reportedly changed almost day by day during shooting. Perversely, the process has worked. Ferrara creates a queasy, unpredictable world where death is sudden and nasty but fear is constant and nastier, and where the most bleakly comical line pinpoints the mood of engulfing anarchy: "We should be taking over the Ford motor company instead of killing each other!"

We could be watching *The Godfather* with the lights out. The director of *Driller Killer* and *Bad Lieutenant* was never one for for fancy photography – the actors work to make their own emotions glow and burn. Penn, above all, is unforgettable as Chez. This wounded punchball of a man keeps rebounding with a fresh bruise or grievance, whether expressed in anger, in tears or gnomic silences pregnant with the horrors to come.

Tom DiCillo's *Box Of Moonlight* is an undernourished comedy-fable. It is a project where the maker must have said, "We don't need a strong script because the story will grow in the shooting." After all, his last film did: the likable off-the-wall movie-making comedy *Living In Oblivion*.

This film just runs into a wall: of whimsy. Uptight construction supervisor John Turturro meets dippy, trippy roadside hippy Sam Rockwell, a boy who likes swimming nude, philosophising and growing his own vegetables. This child of nature teaches John to live, love and laugh, in short to de-yuppyise himself. Then a mere 90 minutes later, though it seems like years, he sends him home.

It never gells into a movie, or even a *jeu d'esprit*. Good acting flatters a nondescript, indeed non-existent script, and the scenery soon becomes the only plot.

Nigel Andrews

Ballet/Clement Crisp

Juliet brought to emotional life

In the ten years of her stage career, Darcey Bussell has done many wonderful things. None, I thought after Tuesday night's performance, more touching or more revealing of her powers as a dance actress than Juliet. It is a role she came to a season ago, and it is not one which sits so sweetly upon her gifts her as did her creation of the heroine in MacMillan's *Prince of the Pagodas*, or so reveals her thrilling technique as does her Balanchine repertory. (That these artistic extremes lie so securely within her range says much about Bussell's talent). The image of Lynn Seymour's physique, her timing, the curve and stretch of her foot and leg, the deliquescence of torso and arms, speak at every moment in Juliet's dances, as does the passion of her dramatic presence. I look at most Royal Ballet Juliets and see a ghost.

With Darcey Bussell, even at her debut, I saw the role MacMillan made. On Tuesday, its life, its emotional purpose and driving physical imagery, were heart-stirringly clear. This was a Juliet very different from Seymour's, yet a character most sensitively understood. Bussell is a child in her opening scene, coltish and blessedly innocent – not easy for a tall dancer, who can risk seeming like a King-size Shirley Temple – and her inexperience (the down-cast eyes; her sense of delight in even being at the ball) makes the exactly-needed contrast with the young women whom Romeo is to fire into emotional life. All this Bussell shows with an exquisite precision and a self-absorption which explains the rest of the action.

In the balcony duet, the dance is impelled onward by her new-found sexuality, itself still innocent. Faced with the tyrannies of her family, she is by turns rebellious then drained of force. In everything feeling seems spontaneous, overwhelming – for us as well as for her. It is a beautiful reading, its only slight – slighter than slight – flaw the fact that Bussell is not a "natural" runner. (Ulanova, Plisetskaya, Seymour, Makarova, in various stagings, made the run to Friar Laurence something to take the breath away. It has to do with the angle of the body, the way the knees are raised, the impulse and crescendo of the motion. Bussell hurries it, which may be dramatically right but is visually less than convincing). In everything else the role was shown with great artistry and even greater conviction. How fortunate we are to see it.

Romeo was Igor Zelensky, making a very welcome debut. He is a good partner for Bussell, and if his Romeo is as yet a powerful but unfinished sketch, he and she speak to each other in feeling and technique, and the drama – and the choreography – are caught up in their presence. In supporting roles, there was a fine Tybalt from Ashley Page (more ambivalent in feeling, more neurotic than we have seen of late), and it was good to see Derek Rencher returned in commanding form to the role of Capulet.

Opera

Minimalist Monteverdi

Two years ago the Buxton Festival found itself so short of cash that mounting its own shows had become an impossibility and it turned in desperation to a joint venture with Leeds-based Opera North. The opera was Monteverdi's *The Return of Ulysses* (sung in good, clear English) and it proved a success for both of them, showing how penury can focus the mind.

It was only this week that the production finally arrived in Leeds. What it lacks in lavish funding, it makes up in generosity of spirit. Less becomes more, starting down in the pit, where Opera North uses just a dozen players, purposefully led by Harry Bicket (how extraordinary to look back 20 years to the sumptuous orchestral reworkings, with swooning strings and grandiose brass, that opera-houses thought were essential to win audiences over to Monteverdi).

The staging has the look of fringe theatre about it. The singers wear modern dress and the setting is indeterminate. But sensibly the producer, Annabel Arden, has approached the opera without an agenda and concentrates on the emotions at the root of this most central of the classical myths. Marital fidelity is the crucial one; a sense of equality and the denial of wealth are not far behind – all of them well suited to this spare theatrical style.

By the end Monteverdi's drama has packed a thoroughly modern emotional punch. All that is strong about this production (as well as its nagging weakness) are summed up in the Ulysses of Nigel Robson. Coming from a very different background from the usual early music tenor, Robson has none of the baggage and little of the style: he rides roughshod over a lot of the baroque vocal writing, but instead of "period" mannerisms, there are drama and character.

Alice Coote's Penelope is more conventional, but sung with marvellous dignity in a deep, expressive mezzo, a voice to be taken seriously. Telemachus makes a stronger impression than usual in Nicholas Sears's portrayal as a headstrong young man, not least because he sings the words clearly. Among the supporting cast Frances McCafferty is Ericlea, Ulysses's old nurse, to the manner born and Valentin Jar as the glutton Irus lightens the mood charmingly.

Among Monteverdi's surviving operas, this is the human one. Opera North's very modest production of it captures its humanity with ease, not the least reason being the decision to perform it in English. Hours of recitative in Italian are hard work for a foreign audience. The is no problem like that here.

Richard Fairman

Production will tour to Blackpool, Sheffield, Nottingham, Manchester and York.

INTERNATIONAL ARTS GUIDE

■ AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-6718345
● Tonhalle-Orchester Zürich: with conductor David Zinman and cellist Yo-Yo Ma performs works by Elgar, Dvorák and Beethoven; Apr 20
● Amsterdam Baroque Orchestra: with conductor Ton Koopman, tenor Paul Agnew and baritone Klaus Mertens performs works by Bach; Apr 20

■ BERLIN

DANCE
Deutsche Oper Berlin Tel: 49-30-3438401
● Ballett der Deutschen Oper Berlin: performs "Paquita" choreographed by Vinogradov to music by Minkus, "Concerto" choreographed by MacMillan to music by Shostakovich, and "Onegin" choreographed by Cranko to music by Tchaikovsky; Apr 19

■ BRUSSELS

CONCERT
Palais des Beaux-Arts Tel: 32-2-5078200

■ CHICAGO

EXHIBITION
Art Institute of Chicago Tel: 1-312-4433600
● Drawings Rediscovered: Italian Drawings Before 1600 in The Art Institute of Chicago: selection of 15th and 16th century drawings from the museum's own collection. On display are works by Bandinelli, Bassano, di Cosimo, Pontormo and a recently identified piece by Raphael; to Jun 22

■ COPENHAGEN

OPERA
Det Kongelige Teater – The Royal Theatre Tel: 45-33-696969
● Tosca: by Puccini. Conducted by Jan Latham-Koenig, performed by the Royal Danish Opera. Soloists include Inga Nielsen, José Azocar and John Wegner; Apr 18

EXHIBITION
Louisiana Museum of Modern Art, Humlebaek Tel: 45-49-190719
● Cai Guo Qiang: exhibition featuring three large-scale indoor installations and one smaller, outdoor work by the Chinese artist who uses traditional objects and materials from China to connect ancient Chinese traditions with present-day international perspectives; to Apr 27

■ DUBLIN

EXHIBITION
Irish Museum of Modern Art Tel: 353-1-6718666
● Damien Hirst: the first showing in Ireland of "Acquired Inability to Escape", a sculpture by the Turner Prize-winning British artist. The work forms part of the Weltkunst Collection of Recent British Art, on long-time loan to the Museum; to Aug 30

■ FRANKFURT

CONCERT
Alte Oper Tel: 49-69-1340400
● Frankfurter Museumsorchester: with conductor Sylvain Cambreling and pianist Michel Dalberto performs works by Strauss and Beethoven; Apr 20, 21

■ LEIPZIG

OPERA
Oper Leipzig Tel: 49-341-1261261
● La Traviata: by Verdi. Conducted by Jiri Kout, performed by the Oper Leipzig. Soloists include Yi Ping Li, Annelott Damm and Santiago Calderon; Apr 19

■ LONDON

CONCERT
Barbican Hall Tel: 44-171-6384141
● London Symphony Orchestra: with conductor Richard Hickox, pianist Barry Douglas and the London Symphony Chorus perform works by Britten and Vaughan Williams; Apr 20
Royal Festival Hall Tel: 44-171-9604242
● Marc-André Hamelin: the pianist performs works by Ives, Bach and Reger; Apr 18

EXHIBITION
Hayward Gallery Tel: 44-171-9604242
● Material Culture: The Object in British Art of the 1980s and 90s: exhibition bringing together three-dimensional works made during the last 20 years. Among nearly 40 artists represented are Tony Cragg, Douglas Gordon, Damien Hirst, Sarah Lucas and Rachel Whiteread; to May 18
National Gallery Tel: 44-171-7472885
● London's Monets: exhibition gathering together Monets in London's public and private collections and featuring 25 works by the artist; spanning his entire career, from "La Pointe de la Hève, Sainte-Adresse" (1864), to the series of large "Water Lilies" painted after 1916; to May 5

■ LOS ANGELES

EXHIBITION
Los Angeles County Museum of Art Tel: 1-213-857-6000
● The End of the Century: Prints Since 1970 from the Collection: exhibition featuring 90 primarily American prints produced since 1970. Included are works by artists responsible for the boom in contemporary printmaking such as Andy Warhol; works that demonstrate the renewed interest in figurative art, such as those of Keith Haring, and conceptual art including Jeff Koons; to May 18

■ MADRID

EXHIBITION
Museo Nacional del Prado Tel: 34-1-3302800
● Pintores Asturianos . Nacidos en las décadas 40 y 50: display of works by artists from the Asturia region in Spain, born in the 1940s and 1950s. On view are 42 works by artists including Sanjurjo, Paredes, Guache and Pastor; to Apr 30

■ NEW YORK

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
● Jean-Yves Thibaudet: the pianist performs works by Debussy, Wagner and Verdi; Apr 20
Carnegie Hall Tel: 1-212-247-7800
● Jessye Norman: the soprano performs works by Brahms, Schubert and Poulenc; Apr 20
Juilliard Theater and Paul Recital Hall Tel: 1-212-769-7406
● Juilliard Opera Orchestra: with conductor Randall Behr performs works by Puccini, Stravinsky and Offenbach; Apr 18, 20

■ PARIS

CONCERT
Théâtre des Champs-Elysées Tel: 33-1 49 52 50 50
● Vogler Quartet: performs works by Beethoven; Apr 20

EXHIBITION
Musée Picasso Tel: 33-1 42 71 70 84
● Picasso, Les Sources Photographiques: 1900-1928: the third of a cycle of exhibitions illustrating the influence of photography on Picasso's work. A number of paintings and graphic works are on display, including "La Famille Soler"(1903); to Jun 9

■ VIENNA

OPERA
Volksoper Wien Tel: 43-1-514442960
● Don Giovanni: by Mozart. Conducted by de Billy. Soloists include Papoulias, Renzowa and Lienbacher; Apr 18, 20

■ WASHINGTON

EXHIBITION
Hirshhorn Museum and Sculpture Garden Tel: 1-202-357-2700
● Jeff Wall: display featuring 30 large-scale colour transparencies in light boxes by the Canadian artist. Wall's back-lit photographic images are meticulously staged contemporary narratives, which draw on film, photography and pre-20th century paintings by Delacroix and Poussin, among others; to May 11

Listing selected and edited by ArtBase The International Arts Database, Amsterdam, The Netherlands. **Copyright 1997. All rights reserved.**
Tel: 31 20 664 6441.
E-mail: artbase@pi.net

WORLD SERVICE

BBC for Europe can be received in western Europe on medium wave 648 kHZ *(463m)*

EUROPEAN CABLE AND SATELLITE BUSINESS TV

(Central European Time)

MONDAY TO FRIDAY

NBC/Super Channel:

07.00
FT Business Morning

10.00
European Money Wheel
Nonstop live coverage until 15.00 of European business and the financial markets

17.30
Financial Times Business Tonight

CNBC:

08.30
Squawk Box

10.00
European Money Wheel

18.00
Financial Times Business Tonight

Peter Martin

Back to the future

By reducing the cost-advantages of vertical integration, computer technology is recreating the supply chains that characterised the early Industrial Revolution

In a pretty little valley in the Cheshire countryside not far from Manchester, there is a perfect working example of an early 19th century cotton mill. Quarry Bank Mill in Styal was founded by Samuel Greg in 1784, and run by his descendants until 1959. Now, carefully restored by a charitable trust, it is a museum of the Industrial Revolution.

The giant waterwheel still turns; the spinning machines and looms produce the same patterned cotton as they did two centuries ago. Each day, gaggles of schoolchildren discover how *grim* their lives would have been as 10- or 12-year-old apprentices.

Middle-aged business people would find a visit just as educational. Quarry Bank Mill reveals how the cotton industry moved from artisan craft to complex, multiple-stage industrial production system in a few decades – a speed of transformation that puts the 60-year development of the computer into proper perspective.

Even more striking to modern eyes is the ratio between the mill's hundreds of semi-skilled manual workers and its extremely small number of supervisors and administrators. One mill manager, three clerks and a handful of overlookers were enough to run this substantial enterprise. As in almost all factories until at least the end of the second world war, the ratio of blue-collar to white-collar jobs was overwhelming.

Technological change accounts for the shrinking number of production workers. The explosion of white-collar workers stems in part from a shift in the nature of the modern enterprise. Quarry Bank could have such a small administrative staff because much of the cotton industry's value was created elsewhere: in the cascade of merchants, accepting houses, bill-brokers, wholesalers, distributors, drapers and other members of what today would seem an intolerably complex and expensive chain of finance and distribution.

For most of the past two centuries the recipe for corporate success has been to absorb functions previously performed by such independent middlemen. Though to modern eyes Quarry Bank seems to be part of an over-extended value chain, it owed its success in part to just such a process of vertical integration – pulling into a single enterprise at a *single location* the activities previously performed by independent spinners, weavers and so on.

Since then, the process of integration has gone much further. Throughout the economy, to use the terminology of Alfred Chandler, the business historian, responsibility for maintaining the flow of production and distribution has shifted from Adam Smith's "invisible hand" of market forces to the "visible hand" of internal managerial co-ordination.

Although much of this shift was complete by the 1920s, imaginative managers still find new areas to which to apply the visible hand. Wal-Mart's success in US retailing is partly a result of the elimination of wholesalers. Dell and Gateway have profited in personal computing by eliminating distributors and retail stores. The insurance industry is killing off its independent intermediaries.

Chandler, writing in the 1970s, treated this process as inevitable and irreversible. Today's business theorists, however, ask whether the triumph of the visible hand is not merely an interlude in the history of any industry, a temporary phase to be followed by a new era of co-ordination through competition.

Computer technology removes the cost advantages of managerial co-ordination by slashing the cost of interactions – "the searching, co-ordinating and monitoring that people and firms do when they exchange goods, services and ideas", as a group of McKinsey consultants puts it in a recent essay.* This means that vertical integration will become less valuable.

"In textiles, for example, electronic data interchange has allowed players to disaggregate procurement, spinning, weaving, finishing, logistics and retailing, and contract them out to specialists along the industry chain," say the McKinsey authors.

Market mechanisms will re-emerge as more effective than conventional supplier relationships. The authors do not put it like this, but electronic networks will allow the recreation of the textile industry's 18th-century production chains.

What will such a business world be like? For those businesses which are themselves networks, scale will become more important – hence, say the authors, the rush of mergers in telecommunications and banking. But for most businesses, the importance of scale will decline as smaller businesses find access to distribution easier and cheaper.

Traditional intermediary businesses – travel agents, financial services brokers, car dealers – will be squeezed as suppliers and their ultimate customers benefit from lower costs of finding and dealing with one another directly.

New businesses will come into being. In information and entertainment we are already seeing the growth of a new industry of content aggregators and packagers. PointCast Networks and Desktop Data pull together other people's electronic news and information and package it for delivery to corporate computer users or individual PCs. Some of the most successful new broadcasting channels, such as those owned by Viacom, pull together programmes made by third parties and transmit them over networks owned by others: the value lies in the packaging.

There will also be opportunities to create and host the new markets which will replace internal managerial co-ordination or external long-term subcontracting relationships in many industries. Some will be straightforward – in effect, replacing classified ads. Others will be more sophisticated. As the McKinsey authors say: "Market-making oppor*tunities will proliferate in* almost any industry where a derivative market can be created around information detached from the physical flow of goods."

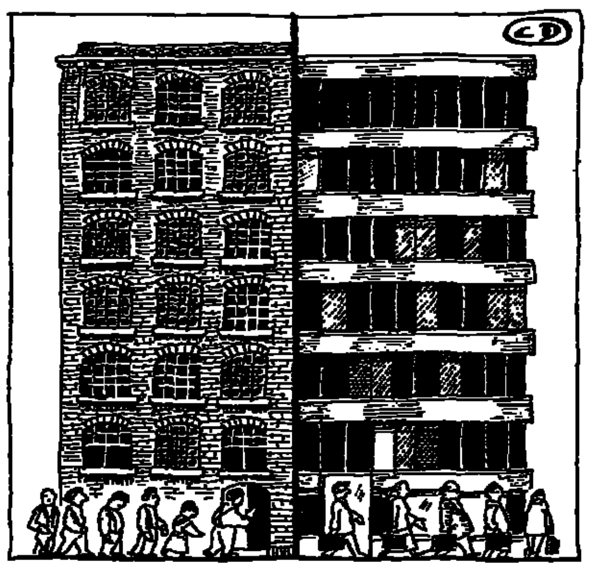
Existing examples include energy futures and mortgage securities. Potential new ones include electricity trading and options on entertainment or travel.

If this theory is right, however, there is one essential ingredient for success in the new era: branding. In these complex new market-driven value chains, the power and the profit margin will remain with those links in the chain which possess some form of indispensability.

In the past, a company could obtain a significant competitive advantage merely by ensuring its customers knew its name. Now, it is much easier for customers to shop around. Success therefore depends not just on getting access to customers' brain cells, but in creating the right warm feelings there. Expect a proliferation of the touchy-feely style of advertising hitherto associated with greetings cards, phone-your-mum telephone calls and diamonds.

Actually making a product or providing a service will take second place to managing the emotions that surround the process. The production chain may come, once again, to look familiar to Samuel Greg of Quarry Bank Mill; but the balance of power within it will be entirely different.

e-mail: peter.martin@FT.com



**A Revolution in Interaction, Patrick Butler et al, McKinsey Quarterly 1997 No 1, McKinsey & Co, New York*

BOOK REVIEW – John Plender

CONNEXITY: How to Live in a Connected World
By Geoff Mulgan, Chatto & Windus, 280pp, £16.99

The trouble with loose connections

This new book from Geoff Mulgan, founder and director of the independent think-tank Demos, will irritate a vast number of people.

The ease with which the author hops from sociology and anthropology via economics to cyberspace (and just about everything else besides) will alienate academics who feel their discipline needs the protection of the closed shop. Economic liberals will bridle at his interest in communitarianism and his preoccupation with social order.

Luddites will hate Mulgan's fascination with neural networks and expert systems. Still more will question the need for the new word in the title – "connexity" – where globalisation and interdependence have served before.

Yet Mulgan deserves a more sympathetic hearing. In a post-cold war world where most think-tanks are still recycling old policy nostrums within a 19th century liberal framework, he boldly attempts to rethink the nature of political, economic and moral structures.

Going back to the drawing board inevitably carries risks: the occasional statement of the obvious, some excessive generalisation, the odd inconsistency. But at its best, Mulgan's brand of intellectual fundamentalism can be stimulating as well as provocative.

The core of his thesis is that the innate tension between freedom and interdependence is becoming more acute – for several reasons. These include the fragility of global ecology, the triumph of individualistic libertarianism and the growth of communication technologies such as the Internet which potentially reduce our sense of mutual obligation. The culture of freedom has developed faster over the past half-century than any matching cultures of interdependence and self-restraint.

For Mulgan, welfare economics is inherently flawed because it is uninterested in subjective feelings of happiness or internal fulfilment except when they are "revealed" through decisions to buy and sell. In thinking about the nature of the state or the organisation of business, our inherited structures are defined in terms of their separateness rather than their connections.

Habits are rooted in the concepts of unbounded sovereignty and individualism, rather than forms of decision-making in which responsibilities are shared. In corporate life structures reflect the patterns and priorities of the machine age, not the information age. The existence of economies of scale in qualities such as trust and loyalty, which help reduce transaction costs, are too little acknowledged.

Mulgan's argument is that societies are passing from dependence on tradition and hierarchy through the independence of liberal individualism to interdependence. The challenge, in a densely connected world, is to ensure that the nation state can be turned into a less heavy-handed servant of individuals and communities; to reconnect the economy to goals that satisfy people; and to prevent individuals from becoming increasingly detached from moral choices.

This kind of platform has obvious contemporary appeal in Britain, where there are ample signs that the electorate has tired of the legacy of aggressive individualism from the 1980s. Nor is this simply a matter of disillusion over the way a narrowly contractual form of economic liberalism has degenerated into a market ethos where MPs can be bought and banks are routinely blackmailed over pay by disloyal employees.

While Tory politicians trumpet the success of the Anglo-Saxon model, the voters express what might be interpreted as disillusion in pro-Labour responses to the pollsters. Patience with macho managers, boardroom pay inflation and inefficient utilities has run thin.

Some readers of Mulgan's book may be frustrated that it does not offer a longer policy menu for political and economic change. Some of his more detailed proposals, such as the wish to make government more representative by extending the jury mechanism into political decision-making, are open to obvious criticisms.

Yet the thesis is substantially about cultures and the cultivation of habits of mind. That means many of the prescriptions inevitably concern principles and frameworks as well as individual conduct. Moreover, some of the detailed policy proposals can grow on you.

Since Mulgan originally argued with Robin Murray for hypothecated taxes in 1993, I have come to believe there may be some room for such earmarked taxes – despite the standard Treasury objections. Spending on healthcare for the elderly is one obvious candidate.

On balance, Mulgan is optimistic about our ability to learn to live with the global, technological and other connections we have made. If you feel we spend too little time asking what capitalism is really for and don't object to a heady and somewhat eclectic intellectual brew, you could do worse than connect with his book.

Connexity *is available from FT Bookshop on +44 181 324 5511. (post and packing £1.50 in Europe)*

FT
FINANCIAL TIMES
Conferences

CRU
INTERNATIONAL LTD

The Second Annual Conference

World Aluminium

— Adjusting to Change

23 & 24 June 1997, Royal Lancaster Hotel, London

Conference Themes will Include:

- Competition and tariffs
- Markets and applications: The threats and opportunities in automotive and aerospace
- Supply side developments: Getting nearer to net shape, power de-regulation, raw material supplies
- The market, and the price outlook

High level industry speakers include:

Mr Jean-Pierre Ergas
Executive Vice President, Europe
Alcan Aluminium Limited

Mr Johannes Koshorst
Manager — Advanced Structures and Materials
Airbus Industrie

Mr Leif Hegna
Vice President
Elkem ASA Energy

Mr Bruno Taraglio
Director of Technology & Proposal
FATA HUNTER
— Member of FATA GROUP

Mr Per Olof Aronson
Vice Chairman of the Board,
and Former President
Gränges AB

Dr Subi Dinda
Manager, Advanced Manufacturing
Technology Development
Chrysler Corporation

Mr Stanley Kusaka
Economist
US Department of Energy
Bonneville Power Administration

Mr David P Pritchard
Head of Markets and Exchanges Division
The Securities and Investments Board

Mr C Van Sheets
President & CEO
CII Carbon LLC

Mr Peter T Peterson
Director — Marketing, Automotive
US Steel Group
USX Corporation

Mr Kemm Farney
Director of Electricity Consulting
Resource Strategies

Dr Alan Heap
Commodity Analyst
County NatWest Securities
Australia Limited

The organisers reserve the right to alter the programme as may be necessary

To register NOW fax this form to us: (+44) 171 896 2696/2697

WORLD ALUMINIUM 23 & 24 June 1997

Mr/Mrs/Miss/Ms/Dr First Name ____
Surname ____
Position ____
Company/Organisation ____
Address ____
City ____
Postcode ____ Country ____
Tel ____ Fax ____
Type of Business ____

Data Protection Act: The information you provide will be held on our database and may be used to keep you informed of our and our associated companies' products, and for third party mailings.

FEES ARE PAYABLE IN ADVANCE 15347B

☐ Please send me further details
☐ Please reserve one place at the rate of £934.13 **(£795.00 plus VAT at 17.5%)**

Please note that as the conference is being held in the UK, all registrants are liable to pay Value Added Tax. A VAT receipt will be sent on payment of the registration fee.

☐ Cheque enclosed made payable to FT Conferences
☐ Bank Transfer to: FT Conferences, Midland Bank plc, City of London Corporate Office, Account Number: 71009095 Sort Code: 40 02 50 International SWIFT Code: MIDLGB22 *(please quote delegate name as reference)*
☐ Please charge my AMEX/MasterCard/Visa with £ ____

Card number: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
Expiry Date: ☐☐☐☐ Signature of Cardholder: ____

I CONFIRM THAT I HAVE READ AND AGREE TO THE CONDITIONS OF CANCELLATION SPECIFIED BELOW

Signature: ____

Cancellation Policy: Cancellations must be received in writing by Monday, 9 June 1997, and will be subject to a 20% cancellation fee unless a substitute delegate is offered. After this date, the full registration fee will apply, however substitutions will still be accepted.

Or register by post: FT Conferences, Maple House, 149 Tottenham Court Road, London W1P 9LL, UK
☎ (+44) 171 896 2626

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters.editor@ft.com Published letters are also available on the FT web site, http://www.FT.com Translation may be available for letters written in the main international languages.

Making sense of Poland's political scene

From Professor George Blazyca.

Sir, In the turmoil following the collapse of communism many diverse political parties and groups have typically come into being and it is not easy to make the east European political scene intelligible to a western audience. Our habits of political thought are shaped by notions of policy packages that are distinctively "left" or "right" and these have sometimes been too crudely mapped across Europe into "old guard" and "reformer" and, in the case of Poland, into "post-Communist" and "post-Solidarity" groupings. As post-Solidarity groups splintered matters became even more confusing.

This is an election year in Poland and many of your readers will be eager to make sense of the bewildering Polish political scene. But here Christopher Bobinski is surely right, despite the protest of Mar*iusz Kuklinski, to describe* Solidarity Electoral Action (AWS) as an alliance of rightwing parties ("New constitution divides Poles", April 4).

On more than one occasion the AWS leader, Marian Krzaklewski, has explained that AWS is an organisation of people who believe in "Poland, God and tradition". A leading Solidarity activist, Marek Kempski, organiser of the union in Katowice, began a recent account of AWS by noting that it would be the group "to bring order, for the first time, to the right wing of the political scene in Poland", *admitting too that* it was somewhat ironic that "a trade union should be the constructor of a rightwing political bloc offering a real alternative to the SLD [Democratic Left Alliance]".

Although self-confessedly rightwing in politics and some social policy, the AWS is associated with a motley collection of (so far) poorly defined policies in which there are traces of socialism and nationalism: it is against existing styles of privatisation, it is suspicious of foreign investment, it believes in the need for industry (or key sectors) to be Polish, it *is ambivalent towards EU* membership, and so on.

George Blazyca,
department of accounting, economics and languages,
University of Paisley,
Paisley PA1 2BE, UK

Culture key to international law firms

From Mr Anthony Salz.

Sir, Robert Rice's article on the competition between US and UK law firms makes much of league tables ("A law unto themselves", April 3). We join in the obsession with such tables, of course, by drawing attention to those we do well in. Taken together over time, league tables probably do indicate some trends. But they are not easy to interpret and it would be dangerous to draw conclusions from one table in one area, as Graham Vinter pointed out in his letter of April 9.

In a recent US mergers and acquisitions table we appeared among a group of US firms. Despite the temptation, I cannot claim this to be evidence that we are winning significant domestic US M&A market share from the US firms. Our share is of US cross-border M&A work, where we are typically working alongside one of the leading US firms, and enjoy doing so. On the other hand, we recognise the popularity of the US capital markets internationally which is why we are seeking to build a small, high-quality US securities capability in Europe and Asia. And our US capability in the project finance area is also important to us.

Internationally, the real challenge for us is not, I hope, about how many US or UK lawyers we have, but rather how effectively we provide truly international legal skills, experience and services, appropriate to the client's particular commercial needs. We believe this requires firms which really want to build a diverse multinational culture. We, and some others, are doing this by aiming to establish over time strong positions in important local markets, especially in Europe and Asia.

Anthony Salz,
Freshfields,
65 Fleet Street,
London EC4Y 1HS, UK

Give business a voice in running Tube

From Mr Bernard Manson.

Sir, The chief executives of the Chambers of Commerce who wrote to you (Letters, April 10) to support a massive increase in government investment in the London Underground are undoubtedly correct in their analysis.

However, the problems of the Underground relate as much to management and governance as to lack of capital. The central performance target of the Underground is to maintain the time between trains at no worse than twice the timetabled gap. Thus, if, for example, the timetable states that there is a train at the hour and every 10 minutes thereafter, running trains at 19, 39, and 59 minutes past the hour constitutes a 100 per cent success record.

The Underground is unlikely *to be managed to* the benefit of its passengers until this target is replaced with a commitment to run 90 per cent or 95 per cent of trains within, say, four minutes of the timetabled time.

Unfortunately the methodology and targets are at present set through a political process which mere mortals cannot influence.

Since London's businesses have a direct interest in the success of the Underground and since they pay towards it – through taxes, the effects of delays, and subsidising season ticket loans – they should be given a *direct voice in setting perfor*mance targets. Without such a change it seems likely that the service will continue to be run for the convenience of the operator rather than for the utility of the users.

Bernard Manson,
6 Totnes Walk,
London N2 0AD, UK

ECB needs an outsider

From Mr J.W. Beaumont.

Sir, You report in "Row over new central bank" (April 15) the battle behind closed doors about who will run it. Being an engineer and reading your journal daily tells me that these jolly money men leave a lot to be desired. The qualification for the job is control over a currency that is used by hundreds of millions of people. There is not one in Europe who qualifies. So why not appoint someone who does?

For example, Mr Paul Volcker, former chairman of the US Federal Reserve and an American who could not be accused of nationalism. It is most important that the new currency is administered by someone who is not only qualified but, most important, completely neutral. This will provide the new currency with credibility and stability.

The people of Europe are not so much anti-euro as very *anti-politician. The* appointment of Paul Volcker would be quite unacceptable the the nationalism in Europe, but we dumb voters would be reassured.

J.W. Beaumont,
Brunnwartsweg 1,
D82031, Grunwald,
Germany

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Thursday April 17 1997

A boss for Europe's bank

The news that France wishes to place Mr Michel Camdessus, at present managing director of the International Monetary Fund, at the head of the new European Central Bank in Frankfurt is no surprise. But there is more to it than the French belief that a compatriot must be the best qualified candidate for such a position. European monetary union is a battle over power and ideas that France intends to win.

The French have been astoundingly successful at filling positions at the top of international organisations. The list includes the last two managing directors of the IMF, the last two presidents of the European Bank for Reconstruction and Development, the previous secretary-general of the Organisation for Economic Co-operation and Development and former president of the European Commission.

It is tempting to state "enough is enough". It is as tempting to say it is time for a Dutch success. The elevation of Mr Wim Duisenberg, president-elect of the European Monetary Institute, would compensate for many past disappointments.

Yet far more is at stake than national vanity. The Germans are being told to give up a currency they love for one they mistrust. Their government's response has been to insist on locating the bank in Frankfurt and on calling the new currency the euro. It is also why Mr Duisenberg is their ideal candidate. He a proponent of sound money and comes from a country whose record they respect.

The presidency could also be important in practice. The bank is told by the Maastricht treaty that its "primary objective ... shall be to maintain price stability". But "without prejudice to the objective of price stability, it shall support the general economic policies of the Community". The susceptibility of the president to political instruction could well influence how this mandate is interpreted in practice.

That the French care about the presidency also reveals the still bigger conflicts ahead. They would, for example, like the EU Council to use Article 109.2 of the treaty to "formulate general orientations for exchange-rate policy" of the euro against the US dollar and the yen. But all such ideas have long been resisted by the Germans.

Equally ominous are differences over control of the fiscal policies of member states. The result of German efforts to tighten discipline was the stability and growth pact agreed so painfully in Dublin last year. But the conflicts are revealed in the ambiguous title and the fact that fines on the fiscally profligate will not be automatic.

The presidency matters, therefore, mainly because it is part of this wider war. So far Germany has won most of the big battles and, if Emu is to win support there, must continue to do so. For this reason, the fledgling central bank needs a president beyond suspicion of susceptibility to political influence.

Yet the choice of president is not itself decisive. What matters is how Emu ultimately works. The decision on who runs the bank will not determine that outcome. But the controversy indicates the scale of the conflicts looming ahead.

Smoked out

What is good for the big tobacco companies is not necessarily good for America.

So the settlement which Philip Morris and RJR Nabisco Holdings are discussing with lawyers acting for those who say that smoking has damaged their health must be viewed sceptically. The plan would require an act of Congress to indemnify the companies against future actions by those claiming damage from tobacco. In return, the companies would set up a fund of up to $300bn over the next 25 years – about a quarter of revenues – to pay compensation.

The biggest winners would, as usual, be lawyers. They would claim assured fees running into hundreds of millions of dollars a year, rather than the uncertain gains from fighting many cases. For although tobacco assuredly can kill, most people know that fact. Convincing juries that producers are to blame in particular instances has not been easy.

Although US legal processes are uncertain and far too expensive, a settlement which requires a new law to limit citizens' rights to sue tobacco companies may not be the answer, even if it were feasible. Nor would it end disputes, for quasi-judicial processes would be needed to attempt to filter out bogus claims against the fund. And big questions would remain about tobacco companies' responsibilities elsewhere, particularly in the developing world.

If Congress is to consider action, it should first curb the marketing of tobacco. That will not help those who have died of lung cancer, but it might reduce future suffering. And it could be done without turning too many lawyers into millionaires.

Right, but late

The policy is correct. There is no faulting the substance of Mr John Major's impassioned plea to the Conservative party to allow him to keep open the option of joining a single European currency.

To close the door now on participation would be to rob the British government of influence over the most important decision facing Europe for a generation. Whether it ultimately succeeds or fails, economic and monetary union will have a profound impact both on the UK's prosperity and on its wider political relationship with its continental partners.

In Mr Major's adaptation of Aneurin Bevan's warning to the Labour party some 40 years ago, to prejudge the outcome now would be to send the prime minister "naked into the conference chamber". He might have added it would also mark the beginning of a process of disengagement which could put Britain on the path to eventual withdrawal from the EU.

It was also refreshing to hear Mr Major state that, for all the pitfalls if the project is ill-prepared, a single currency might actually work. And in those circumstances the economic case for joining – lower inflation, lower interest rates, a flourishing single market – could override the political doubts.

To commend Mr Major's defence of what this "negotiate-and-decide" policy, however, is to raise a serious question. Why, if the argument is commonsense, has the prime minister failed to impress it upon his own party? Already scores of Tory MPs, with the acquiescence, if not the connivance, of Conservative Central Office, have openly flouted the policy by voicing implacable opposition to Emu in their personal general election manifestos.

Several cabinet ministers, including Malcolm Rifkind, the foreign secretary, have seemed to flout the spirit if not the letter. And, just hours before his statement, Mr Major weakly refused to sack two junior ministers who had openly defied him. Even after his statement a third, Mr Eric Forth, the education minister, did likewise.

The impression left is of a leader once again held hostage by the Eurosceptics. His assertion that he will decide in the national interest buckles and sways before the pressures in his party. It is not enough for the prime minister to espouse the policy. He must demonstrate he can carry it.

All this is grist to Mr Tony Blair's electoral mill. The Labour leader looks more confident by the day of victory on May 1. On this issue, though, he would be wiser to temper his obvious delight in Mr Major's discomfort. If Labour does win, it will then confront the hard decisions which have so divided the Conservatives.

Mr Blair insists he would give Britain a fresh start in the EU. But there is little in his campaign to promote confidence in his promise. Bowing to what it sees as a national mood of scepticism, Labour has positioned itself alongside the Tories on virtually all the big issues. If it is ever to be comfortable in the EU, Britain needs a prime minister willing to lead: to argue the case for engagement rather than to bend in the wind of narrow nationalism.

Boxed-in capitalism

Italian business must become more open, argues **Paul Betts**

The Italian government is about to begin a new round of privatisations with the sale of its telecommunications and motorway interests and a third tranche of the ENI oil and gas group. But the real test of Italy's commitment to embrace a free-market economy will only come when the big private companies – members of the exclusive and incestuous *salotto buono* (the good drawing room) – are themselves "privatised".

This may sound like a contradiction in terms. But as Mr Salvatore Bragantini, a commissioner of the Italian stock market watchdog Consob, says: "Our largest groups may believe they are private but they are, in fact, only big family concerns."

In a hard-hitting pamphlet called *Capitalismo all'Italiana*, he warns that the days of Italian family capitalism are numbered. "It is quite absurd to think that in the western world's fifth or sixth industrial power you can continue operating a capitalist system without a real capital market," he says. "The choice is simple. Either we develop an open market or our industrial prospects are doomed."

This message appears to be filtering down to the *salotto buono*. Some of Italy's biggest companies have begun adapting and simplifying their intricate corporate structures to make them more transparent and more attractive to minority shareholders.

They have been shedding non-strategic assets to concentrate on their core businesses. More significantly, they have started dismantling some of their "Chinese boxes". These are the cascade of holding companies, often quoted, through which Italian corporate dynasties have traditionally controlled their industrial and financial groups with minimum capital outlay.

Take the Agnelli family. Through a complex series of quoted and unquoted holding companies – starting with the unquoted G. Agnelli & Co which controls the quoted Ifi and Ifil holding companies – the Agnellis control Fiat. If the Chinese boxes were compressed into one, the family would be left with only 6 per cent ownership of Fiat, the country's largest private conglomerate with annual sales of L78,000bn ($46bn).

"It is capitalism without capital," says a veteran Milan merchant banker.

Big industrial families have further strengthened their hold on their groups through friendly shareholder syndicates and cross-shareholdings. "This system based on the simple principle of 'you don't hurt me and I won't hurt you' has protected these groups from hostile bids, even though their low stockmarket capitalisation should have made them ripe takeover candidates," says the Milan banker.

There have only been two successful hostile takeovers in Italy since the second world war. But attitudes are changing. Mr Carlo De Benedetti, one of the most artful architects of Chinese boxes, has simplified the structure of his media activities by merging La Repubblica, the daily newspaper, with L'Espresso, the magazine group. Fiat is rationalising its fibres and chemicals interests through the merger of two subsidiaries, Snia Bpd and Snia Fibre.

Pirelli has also streamlined the structure of its tyre activities by buying out the minority shareholders in its Dutch holding company, which controls all its tyre operations. And Olivetti, the troubled information technology group overwhelmed by losses and shaken by a shareholders' revolt last year, broke new ground this week by reporting quarterly figures in an effort to become more transparent.

Companies say such changes will not only help simplify their structures, but will also provide more shareholder value. So far, however, they have been reluctant to transform themselves into true public companies. "They are only working on the lower tiers of their structures," says Mr Bragantini. "In a modern market [there should be] mergers of cascading holding companies. This would create value for shareholders and impose market discipline."

Ironically, this has just happened in the public sector with the recent merger of the Stet telecommunications holding and the Telecom Italia operating company. The state's share in the new telecoms combine is now below 50 per cent.

By contrast, in the private sector, family control is still tightly held through holding companies: Ifi and Ifil at Fiat; Cofide and Cir in the De Benedetti group; Pirellina and Pirellona at Pirelli; Italmobiliare and Italcementi at the Pesenti group, and so on.

The tradition of stitching up deals behind the closed doors of the *salotto buono* is alive and well. An example is the recent merger of the textiles group controlled by the Marzotto family with the industrial activities of the Gemina holding company.

Marzotto was having difficulties over the family succession. To resolve this without facing the open market, it turned to Mediobanca, the Milan investment bank that has traditionally orchestrated corporate marriages and divorces. Mediobanca, still smarting from a failed attempt to merge Gemina with the Ferfin-Montedison empire of the late Raul Gardini, used the opportunity to resolve both Marzotto's and Gemina's problems.

The deal, which will create one of Europe's biggest textile and clothing concerns, is locked-up with special clauses that bind together the members of the shareholder syndicate in the event of a bid. Shareholders predictably include Fiat, Marzotto, Pesenti, Mediobanca, Assicurazioni Generali, Pirelli, and the Lucchini steel group. But the pressures to end such cosy deals and to "Anglosaxonise" the Italian corporate sector are growing. There are several factors at work.

The first is size. Even the biggest private groups are beginning to worry about the need to compete in a global market. Mr Gianni Agnelli, now honorary chairman of Fiat, has taken to describing his group as a "medium-sized enterprise in the global sense". If Fiat regards itself as medium-sized, then companies like Pirelli and Olivetti are positive midgets in a global context.

In the past, Fiat has sought to grow by combining with another international car manufacturer: first Citroën, when it was controlled by Michelin, then Chrysler and more recently Ford. The last collapsed over the question of control, but the issue has not gone away. At some stage, Fiat will have to consider an international alliance which is likely to transform it from a family-controlled conglomerate into a public one. It is no accident that Mr Paolo Fresco, vice-chairman of General Electric, the US conglomerate, joined Fiat's board last year.

The second factor is taxes. Changes in the Italian fiscal system are putting pressure on private companies to adapt their structures. In the past, Italian companies relied predominantly on debt to finance their growth because of fiscal incentives to borrow. In turn, indiscriminate lending policies by banks provoked some real corporate horror stories when the recession struck five years ago.

New restrictions on the amount of interest payments companies are allowed to deduct from their taxes is expected to force companies to raise fresh equity to finance their development. Rights issues in the past were mainly used by Italian companies to fund restructurings or recapitalisations following heavy losses, but rarely to fund development.

The fiscal regime has also changed to make mergers more attractive. There are also proposals to toughen takeover regulations by abolishing lock-in pacts among members of a shareholders syndicate in the event of a bid. If these proposals are adopted, financial analysts say they could precipitate a huge shake-out of Italian corporate ownership.

Transparency is the third factor. Although the concept of corporate governance is still in its infancy, the shift towards a greater reliance on the equity markets is forcing traditionally secretive private companies to become more open.

Institutional investors and small shareholders have started to make an impact. They played a significant part in last year's debacle over the Olivetti rights issue which ultimately led to Mr De Benedetti's resignation as chairman. And Mr Silvio Berlusconi, the former prime minister and media tycoon, was forced to float his media interests to reduce his debt and raise funds, as well clean up the fiscal structure of his diverse companies.

With the development of pension funds and mutual funds – the latter a recent phenomenon in Italy – demands for shareholder value will grow. This is already putting pressure on market regulators to break down the old defences of Italian family capitalism and to accelerate the modernisation of financial markets.

Family defences may have had some justification in the past. Without a network of private sector alliances around Mediobanca, all the country's big private companies could have ended up in the public sector, argues Mr Marco Tronchetti Provera, the Pirelli chairman.

The government, albeit laboriously, is now attempting to reduce its role in industry and finance. In turn, this should provide a stimulus to the private sector to adapt itself to a modern capitalist world.

Italy's post-war "economic miracle" was built around a highly successful blend of family capitalism and benevolent state interventionism. But the state no longer has the funds nor the aspiration to play a role that, in any case, Brussels no longer condones.

Neither can the families continue to rely on a protected economy. Instead, they are having to compete in an open market, not only for business but increasingly for their funding needs. If Italy's family dynasties fail to adapt to these new conditions, their future looks bleak.

· OBSERVER ·

Stern test at Lazard

■ More rumblings at Lazard Frères, the blue-blooded Paris investment bank that's been going through something of a palace revolution. Word has it that Edouard Stern, until recently seen as the heir-apparent to father-in-law and Lazard boss Michel David-Weill, is considering setting up on his own.

Tongues have been wagging since David-Weill, 64, let it be known that he planned to spend a few years yet at the helm and that young Edouard had never been his chosen *dauphin*. Those remarks – albeit backed up by words of praise – followed a row between Stern and Anne Lauvergeon, a former "sherpa" to president François Mitterrand, who has herself since departed.

In any event, Lazard has been notably absent from some significant deals, including the mega-merger between Lyonnaise des Eaux and Suez; both companies employed foreign investment banks as their top advisers. That's a far cry from the 1980s, when it was not unusual to find Lazard partners like Bruno Roger and Antoine Bernheim advising opposite sides in some of France's biggest deals.

If he does decide to go it alone, Stern will find the competition fierce. A consortium he was leading recently failed in its attempt to take over troubled financial group Pallas Stern – including Banque Stern, which was owned by the Stern family until he sold it in the 1980s. After casting an eye over the four different bidders, the court preferred instead to let Pallas Stern slide into liquidation.

Driving ambition

■ They haven't reached the starting line yet, but the contenders to carry the colours of Germany's opposition social democrats (SPD) in the federal elections next autumn are already jostling in the pavilion.

In pole position to be centre-left champion is party leader Oskar Lafontaine, but Gerhard Schröder, prime minister of Lower Saxony, says he's interested and pollsters reckon he would have the better chance of winning.

The SPD says it won't decide who crosses swords with Christian Democrat colossus Helmut Kohl until next spring, so there's plenty of time for contenders to score public relations points.

This week Lafontaine held his first press conference in the statesmanlike setting of the chancellor's department in Bonn. But all he had to show for it was dragging long-running cross-party wrangling on tax reform into another talkfest next Wednesday. "Yet another summit," groaned the newspaper headlines.

Schröder has been in more camera-grabbing form, testing the drivers' seat in a Formula One racing car, and challenging Mr Kohl to clamber in – the chancellor, whose frame was not designed for such tight spaces, appeared uncharacteristically ruffled.

A Schröder victory would have one downside for the press: he would be the first postwar chancellor with a headline-unfriendly umlaut in his surname.

Sect's appeal

■ Japan's decision to haul its remaining nationals out of Zaire was good news for the press pack in Kinshasa trying to justify their expenses in the capital's ludicrously priced hotels. What most missed was that the evacuees were Moonies, followers of the Unification Church led by wealthy Korean cold warrior and convicted tax evader Sun Myung Moon.

The presence of the Moonies and other bizarre sects in Zaire was a wheeze by president Mobutu Sese Seko, the country's kleptocratic ruler, to undermine the Catholic church, which has had a regrettable tendency to support democratic forces.

The Japanese devotees were almost all female, hitched to Zairean husbands at mass weddings, a feature of life with the Moonies, which chooses spouses – who are often complete strangers – for its members and weds them in batches of hundreds at a time. Maybe evacuation from Zaire's chaotic capital was a relief to young women accustomed to Japan's high-tech efficiency.

Time out

■ President Ramos of the Philippines is fond of telling his happy-go-lucky country to take timekeeping a bit more seriously. So he declared that this week would be national punctuality week, and promptly turned up an hour late for an appointment.

Manila's clogged roads make traffic the most common excuse for missing appointments, but the cigar-chomping president was honest, if a trifle sheepish, about why he turned up late for an appointment with the Red Cross.

"My aide gave me a frantic call on the telephone," said the golf-mad president, who had been up late watching the US Masters tournament. "Apparently I overslept."

The Financial Times

100 years ago

German Banks
British manufacturers are now fully alive to the necessity for meeting German competition in the home markets as well as in almost all other parts of the world, and are, moreover, inclined to exaggerate the possible consequences rather than to underestimate the influence that the extension of German trade is likely to exercise upon British commerce. Little attention, however, has been paid so far to the fact that the leading Berlin banks are endeavouring to outdo British institutions by opening branch offices or by subsidising independent financial establishments in some of the principal commercial centres.

50 years ago

Rhodesia Tobacco
Salisbury, Rhodesia, 16th April. Prices rocketed at Salisbury tobacco auctions to-day. The highest price paid, 69½d [pence] per pound for Virginia flue-cured, compared with yesterday's highest of 57d. The average price at to-day's sales was 12½ per cent higher than yesterday's. Government officials are uneasy about the abnormal prices which, they fear, may discourage manufacturers from buying Rhodesian tobacco in order to save dollars.

THE LITCHFIELD GROUP
OF COMPANIES
MANUFACTURING WORLDWIDE
NO DEPENDENCE ON EXPORT
NO WISH FOR A WEAK POUND
NO DESIRE FOR A FEDERAL EUROPE

FINANCIAL TIMES
Thursday April 17 1997

Fountain Forestry
FOR PRIVATE AND CORPORATE LANDOWNERS, UTILITIES, LOCAL AUTHORITIES
UNITED KINGDOM: ☎ 01397 750800
UNITED STATES: ☎ 001 603 455 8234

Zaire fears campaign of terror by Mobutu

By Our Foreign Staff

Western governments and opposition leaders in Zaire fear President Mobutu Sese Seko intends to eliminate his opponents in Kinshasa if the rebel advance on the capital forces him to surrender power.

"There is a list of people who are not supposed to survive Mobutu's departure," said a European diplomat contacted by telephone in Kinshasa.

"It is an instrument of last resort. If things go smoothly for Mobutu, it won't be necessary. But if the regime has to abandon everything, it is prepared to make others pay the price."

There is widespread speculation over who would be targeted in a crackdown. Zaire's main opposition party, the Union for Democracy and Social Progress, said it believed its leader, Mr Etienne Tshisekedi – Mr Mobutu's longstanding political foe – led the list of potential victims.

"There are about 500 people on the list, which is almost exclusively made up of opposition members," said Mr Marcel-Laurent Mbayo, an aide to Mr Tshisekedi. "It seems Mr Mobutu wants to create a vacuum before leaving."

Diplomats said they understood that while most of those on the list were Zairean, Belgian and US nationals were also included.

Human rights organisations in Kinshasa said their contacts in the military had warned of the plans. The presidential guard had recently received arms deliveries which had been taken to Camp Tsha-Tshi, the military barracks where Mr Mobutu has his home.

"Mr Mobutu is preparing to set the capital ablaze," said one human rights worker. "He cannot give up. It is not in his nature."

Diplomats in the city said the fear of revenge killings by Mr Mobutu explained the presence on Zaire's border of a large force of western troops.

About 2,500 US, Belgian, French and UK troops have been posted to the area. They are stationed in the Congolese capital of Brazzaville, across the river from Kinshasa, in Libreville, the Gabonese capital, and aboard the American warship USS Nassau off Zaire.

Their mission is to evacuate the 3,000 expatriates in Kinshasa should mayhem break out. Diplomats said the size of the force, which dwarfs similar operations during the 1990s, was also intended to discourage widespread blood-letting.

The diplomats said the possibility of a bloody crackdown by the presidential guard, recruited almost exclusively from Mr Mobutu's minority Ngbandi tribe, had become a factor in his discussions with western governments in Kinshasa and negotiations with the rebel alliance in South Africa.

Talks there began last night between President Nelson Mandela and Mr Laurent Kabila, the rebel leader.

Observer, Page 13

Liffe raises stakes in battle for European derivatives

By Samer Iskandar

Liffe, the London derivatives exchange, yesterday raised the stakes in the battle to dominate European derivatives trading after the planned introduction of the single currency in 1999.

In what it hopes will deal a significant blow to its continental European competitors, Liffe announced the launch of new futures and options on medium-term German government bonds.

The new contracts will allow investors and financial intermediaries to hedge against or speculate on movements in the prices of Bobl, German government bonds with maturities of between three-and-a-half and five years.

Liffe's decision will put it in direct competition with the German and French exchanges. Bobl contracts are one of the main interest rate products listed on Frankfurt's DTB, the derivatives exchange of Deutsche Börse. Matif, the French futures and options exchange, will start trading its own similar products next month. Liffe already lists futures and options on German 10-year bonds and three-month interest rates, each considered to be the most successful contract of its type.

"We believe we have won the battle for European dominance of short-term contracts post-1999 . . . and we are extremely well positioned to win the battle for the bond contract [denominated in euros, the planned single currency]," said Mr Daniel Hodson, Liffe chief executive.

The introduction of the single currency is expected to reduce the need for derivatives as interest rates of Emu members converge.

The listed derivatives market is likely to shrink, with several contracts possibly disappearing.

"There will be room for only one liquid contract of each maturity," said a futures trader in Paris. "The medium-term sector is too small for three contracts and this promises to be a fierce battle."

Liffe launched a Bobl future in February 1993 but was forced to delist it a few months later because of insufficient interest among traders and investors. The exchange is confident it will be more successful this time as interest in medium-term German bonds is growing in London.

Liffe estimates that between a third and a half of transactions in medium-term German bonds take place in London, up from negligible amounts a few years ago. "The Bobl has changed a great deal [since 1993]," said Mr Hodson.

THE LEX COLUMN

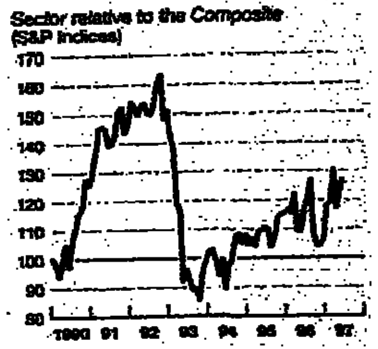
Tobacco trading

It is obvious why the plaintiffs' lawyers and big tobacco companies want to reach an outright settlement of the numerous liability lawsuits facing cigarette manufacturers. The stock market values of Philip Morris, RJR Nabisco and BAT Industries are depressed to the tune of more than $40bn by the threat of litigation. Meanwhile, lawyers have been struggling for years to squeeze money out of Big Tobacco and have got nowhere. If the tobacco companies paid $10bn a year their stock market values would still surge – the money could come from a 60c a packet levy on cigarettes, and demand for cigarettes is notoriously inelastic. And the lawyers would get cash now.

The problem is that it will take more than two to tango; politicians and the powerful anti-tobacco lobby must also be satisfied. And a $10bn or so annual levy combined with a ban on outdoor advertising would still leave US tobacco companies better off than those in Britain, for example. In the UK, tax on cigarettes is 50 percentage points higher and a Labour government would probably ban outdoor advertising. This might not be enough pain for the industry's opponents, which include the Clinton administration. Given the conflicting interests of the parties involved, the chances of a favourable solution look at best 50:50.

The danger for investors is that if tobacco companies push for a settlement they do not get, they will look far more vulnerable in the law courts. Of course, they will never admit guilt in any settlement – it would open the legal floodgates overseas – but their willingness to negotiate will be seen as evidence of weakness. Nonetheless, the potential rewards to investors probably still outweigh the risks, given the extent of their discount ratings.

FTSE Eurotrack 200:
2202.1 (+5.0)



Source: Datastream

Daimler-Benz

Daimler's relentless recovery continues. Shorn of one-off charges and currency effects, the group increased its underlying operating profits by DM2.2bn ($1.27bn) to over DM3bn last year on a 10 per cent rise in revenues. Turnover in the first quarter of 1997 is up 12 per cent and order intake at Mercedes, Airbus and even trucks is roaring ahead. Mr Jürgen Schrempp, the chairman, is confident enough to be talking about acquisitions again. Even so, there is still plenty of room for improvement. The group is only half way to its target of a 12 per cent return on capital, implying a DM6bn operating profit, which it should manage within two years. The bulk of that improvement will come from turning round the remaining loss-makers, particularly European heavy trucks. Mr Schrempp thinks there are at least DM1bn of costs to be cut in that division alone. Meanwhile, Mercedes boasts its strongest product range for years, with three new models due to be rolled out during 1997, including the A-class small car. And improvements at Dasa, the aerospace arm, will continue to be driven by the desire to convert Airbus into a proper joint stock company.

More questionable, for the longer term, is Mr Schrempp's assertion that Daimler is in high-growth markets. While sales of its trains, planes and automobiles are currently benefiting from the D-Mark's weakness against the dollar, investors should remember that these are highly cyclical markets.

Latin American stocks

Latin America has outstripped other emerging markets this year, rising 17 per cent, while Asia has stagnated and Europe made only modest progress. Can it continue, or will the prospect of higher US interest rates have the same calamitous effect as in 1994? This time round, investors have kept their nerve better: Morgan Stanley's Latin America index is flat since the US raised interest rates last month, while the S&P 500 index has fallen by around 7 per cent. The backdrop is also more favourable, with less evidence of the crazy valuations which prevailed in 1993/4. Shares, for example, are much cheaper compared with US stocks and the spread between benchmark Mexican T-bills and their US equivalent is nearly three times as large as it was then.

Latin America will clearly be influenced by events on Wall Street – if only because of the various large companies with ADR listings. But if US shares do fall, American investors seeking to diversify could well lend support to Latin markets. The strong first quarter performance partly reflected the weak finish to 1996. But shares were also buoyed by the strong performance of blue chips, especially big telecommunications companies, and solid economic fundamentals. Steady growth and low inflation and interest rates should ensure that Mexico and Brazil, accounting for 70 per cent of weightings, make further gains this year. Short term, Mexico will be held back by the uncertainty surrounding congressional elections in July. But the chances of another *tequila* hangover, à la 1994, appear low.

Imro/Morgan Grenfell

Imro's decision to fine Morgan Grenfell Asset Management over the Peter Young affair eight months after the event smacks of stable doors and bolting horses. Nor is the UK regulator's conclusion – that MGAM's internal controls were inadequate – much of a revelation. And the £3m in fines and costs being imposed on the fund management group looks rather pointless considering that Deutsche Bank, MGAM's owner, has set aside more than £400m to bail out Mr Young's ailing funds and compensate investors. Deutsche would have had to spend that money regardless of Imro's decision, in order to safeguard its reputation.

Instead, Imro might usefully have cast its net a little wider. While MGAM must continue to take most of the blame for this scandal, it is worth remembering that auditors KPMG gave Mr Young's funds a clean bill of health as recently as last July. And the corporate trustees of those same funds, first General Accident and subsequently Royal Bank of Scotland, had a clear responsibility for checking their prices. They were, after all, paid several hundred thousand pounds a year for their trouble.

Additional Lex note on UK banking, Page 22

Tobacco talks

Continued from Page 1

suspicious of the role of the lawyers, who might stand to make greater profits by reaching a settlement with cigarette makers than by continuing to pursue them through the courts.

The talks come at a time when the US tobacco industry is facing unprecedented legal pressure.

Last month Liggett, the smallest US tobacco company, broke ranks with the industry and agreed to settle cases against it by paying out 25 per cent of pre-tax profits.

Hong Kong protest

Continued from Page 1

-sion, given the UK's fundamental opposition to the replacement of the existing legislative council, but the compromise proposal was rejected outright by Beijing.

Mr Tung Chee-hwa, the shipping magnate appointed by China to run Hong Kong after the handover, now faces the prospect of having to prepare complex legislation on residency without the help of Hong Kong's civil service.

British officials say the result could create confusion for foreign passport-holders concerned about residency rights. China has also told Britain the provisional legislature will pass legislation restricting civil liberties before June 30.

Brussels acts to frame laws for cyber commerce

By Caroline Southey
in Brussels

The European Commission yesterday announced plans to promote business transactions and protect consumers buying and selling via the Internet and other electronic networks.

Credit card transactions and electronic share trading in the "cyber economy" would come under the protection of EU-wide rules, if member states back the proposals.

Mr Mario Monti, European commissioner for the single market, said the EU should rely less on imposing fresh laws, and more on mutual recognition of national regimes.

"We must dismantle existing legal and regulatory barriers and circumvent the creation of new ones," he said.

However, he said new laws may be needed to harmonise rules on intellectual property and personal data protection, as well as encryption and digital signatures – to protect documents such as legal contracts.

The Commission's initiative reflects fears that rapidly growing electronic commerce lacks a proper regulatory framework. The Commission aims to match actions in the US and Japan. Pressure is also mounting for global rules to regulate electronic commerce.

Mr Monti said his proposals were in response to industry's demands for legal certainty in a market expected to attract transactions worth Ecu200bn ($228bn) by 2000. The first formal legislation may be tabled by the end of this year.

"We need a favourable regulatory framework to encourage business to invest in products, services and infrastructure. Without a framework, businesses feel they cannot risk the huge investments needed," he said.

Action was also needed to increase consumers' confidence in the sector. All aspects of electronic commerce needed to be looked at to ensure consumers were protected, including ordering of goods and services via electronic networks, online ordering, electronic fund transfers, share trading and commercial auctions.

Mr Monti said the framework would be based on existing single market principles to ensure the free movement of services, persons, goods and capital.

He ruled out a new tax on electronic commerce, pointing out that the electronic trade in goods and services was covered by the same tax rules as traditional forms of trade.

He stressed that EU-wide action was imperative if member states were to compete effectively with the US. "They have the advantage because of infrastructure and PC penetration. The EU's attraction will be the creation of a single market," he said.

FT WEATHER GUIDE

Europe today

Western Europe will be mostly dry and cool except for Spain, which will have rain and thunder showers. It will be dry and slightly warmer north of the Alps.

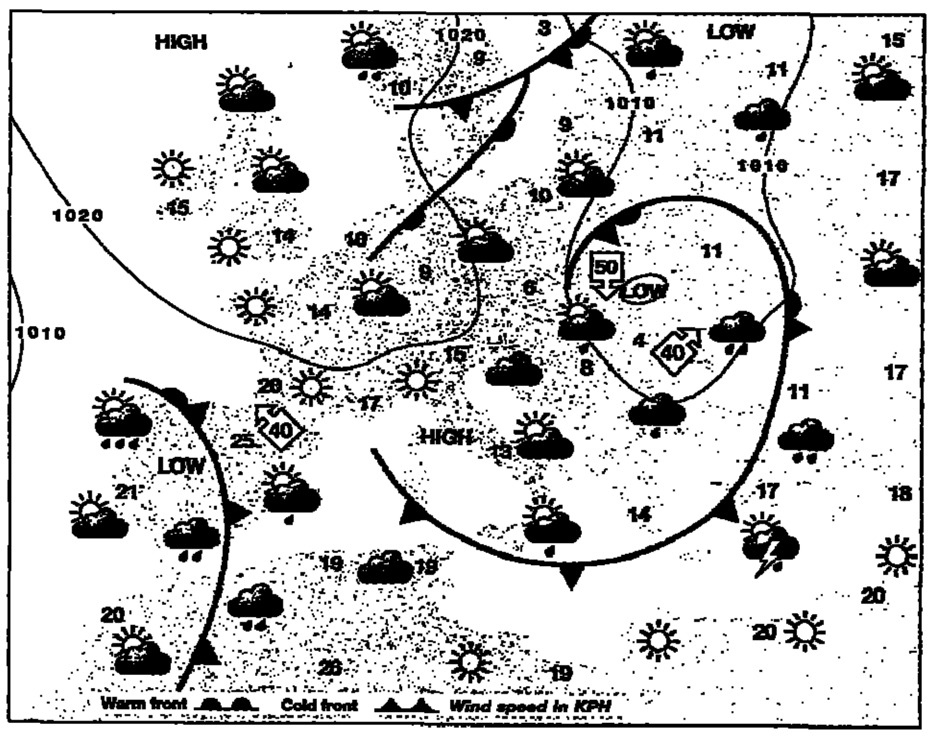
Denmark and the Benelux will start cloudy but will become sunny later on. Eastern Europe will stay cool and unsettled. Western Turkey will have heavy thunder showers, while Greece will turn dry and partly sunny.

Heavy rain is expected in Romania and Ukraine, while the northern Balkans and Poland will have cold, blustery winds.

Scandinavia will be very cold with sunshine in southern Norway and central Sweden.

Five-day forecast

Western and central Europe will be calm and mainly dry except for some showers in Spain. Eastern Europe will stay unsettled with cold and gusty northerly winds. The central Mediterranean will turn warmer, while Scandinavia will remain unsettled.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum	Beijing	fair 20	Caracas	sun 29	Faro	fair 21	Madrid	fair 24	Rangoon	fair 36
	Celsius	Belfast	fair 15	Cardiff	fair 14	Frankfurt	cloudy 13	Majorca	sun 20	Reykjavik	fair 8
Abu Dhabi	sun 31	Belgrade	shower 8	Casablanca	fair 20	Geneva	sun 14	Malta	fair 17	Rio	fair 28
Accra	thund 33	Berlin	fair 11	Chicago	fair 6	Gibraltar	shower 22	Manchester	cloudy 13	Rome	fair 22
Algiers	fair 21	Bermuda	fair 18	Cologne	cloudy 11	Glasgow	cloudy 14	Manila	cloudy 32	S. Frsco	fair 19
Amsterdam	cloudy 10	Bogota	cloudy 20	Dakar	fair 25	Hamburg	cloudy 11	Melbourne	fair 19	Seoul	sun 19
Athens	fair 15	Bombay	sun 32	Dallas	sun 25	Helsinki	fair 8	Mexico City	cloudy 25	Singapore	fair 32
Atlanta	sun 17	Brussels	cloudy 11	Delhi	sun 34	Hong Kong	cloudy 28	Miami	shower 28	Stockholm	cloudy 9
B. Aires	fair 27	Budapest	shower 7	Dubai	sun 32	Honolulu	fair 29	Milan	sun 15	Strasbourg	cloudy 14
B.ham	cloudy 13	C.hagen	cloudy 10	Dublin	fair 15	Istanbul	rain 11	Montreal	rain 4	Sydney	fair 23
Bangkok	fair 38	Cairo	sun 24	Dubrovnik	shower 9	Jakarta	fair 31	Moscow	rain 11	Tangier	shower 21
Barcelona	sun 18	Cape Town	fair 19	Edinburgh	cloudy 13	Jersey	sun 13	Munich	fair 11	Tel Aviv	sun 21
						Karachi	sun 32	Nairobi	cloudy 25	Tokyo	shower 16
						Kuwait	sun 29	Naples	fair 13	Toronto	sleet 4
						L. Angeles	fair 24	Nassau	shower 28	Vancouver	shower 13
						Las Palmas	fair 24	New York	shower 14	Venice	sun 13
						Lima	cloudy 26	Nice	fair 17	Vienna	shower 7
						Lisbon	fair 21	Nicosia	fair 18	Warsaw	shower 10
						London	cloudy 14	Oslo	fair 13	Washington	shower 20
						Lux.bourg	cloudy 11	Paris	cloudy 14	Wellington	fair 16
						Lyon	sun 15	Perth	sun 28	Winnipeg	fair 11
						Madeira	fair 21	Prague	cloudy 7	Zurich	fair 9

Our service starts long before take-off.
Lufthansa

AHMSA
Altos Hornos de México, S.A. de C.V.

US$330,000,000
Secured export receivable facility

US$303,000,000 Tranche A due 2002
US$27,000,000 Tranche B due 2004

Facility agent
Morgan Guaranty Trust Company

Managers
Bank of America NT & SA
Bayerische Landesbank Girozentrale
Commerzbank, AG
Credit Suisse
De Nationale Investeringsbank N.V.
Hypobank International S.A. Luxemberg
Union Bank of Switzerland
Banque Indosuez
BHF-Bank
Crédit Lyonnais
Dai-Ichi-Kangyo Bank, Ltd.
Dresdner Bank Luxembourg S.A.
Morgan Guaranty Trust Company
WestLB

Co-managers
Banco Central Hispano
Deutsche Girozentrale International S.A.
Bank of Scotland
Royal Bank of Canada
The Royal Bank of Scotland plc

Participants
Bank Austria AG
Banque Worms Capital Corporation
Landesbank Rheinland-Pfalz -Girozentrale-
Nationsbank
Raiffeisen Zentralbank Oesterreich AG
BNP (Mexico), S.A.
Banco Latinoamericano de Exportaciones
National Westminster Bank AG
Orix Asia
Westfalenbank

Arranger
J.P. Morgan Securities Inc.

JPMorgan

April 1997

FINANCIAL TIMES SURVEY Thursday April 17 1997

THE BATTERY INDUSTRY

Portable power supply has come a long way in recent years. Now much of everyday life revolves around machines and gadgets fuelled by batteries, writes **Peter Marsh**

Consumer demand sparks 'revolution'

The global battery industry, fuelled by the mushrooming demand for new sources of portable power, is going through the early stages of what many people regard as a revolution. Worldwide sales of all types of battery are worth an estimated $41bn a year at manufacturers' prices, and look likely to advance by about 50 per cent over the next five years, according to Freedonia, a US consultancy.

The greatest force behind the industry's expansion is burgeoning demand for power for a new generation of consumer and industrial products which are used on the move – including mobile telephones, lap-top and hand-held computers, camcorders and cameras.

Particularly high growth in demand for batteries is being seen in the fast-expanding economies of eastern Asia. There, rapid rises in consumer incomes are creating a boom in battery-powered products such as toys and portable tape players and radios, which have for years been taken for granted in the more highly developed economies of the west.

Other factors pushing up sales include the increasing interest in many regions, particularly developing countries, in stand-by power sources for installations such as telecommunications. In the US, meanwhile, a potentially large market for new batteries for vehicles is being created by the large sums being spent by government and the automotive industry on research into new low-pollution, electrically-driven cars that could become a commercial reality early next century.

A key element has been rapid developments in micro-electronics and electric motor and display technologies. They have reduced the power requirements of many electrical systems, so making it possible to drive, using low-voltage batteries, a much greater variety of devices than would have been possible a decade ago. These include telephone handsets, computers, and personal infusion pumps for drug treatment.

Overlaying these changes is a battle between the large companies in the industry, providing another twist to the arguments over whether Japanese or US businesses are best poised to win the fight for commercial dominance in key technologies over the next 10 years.

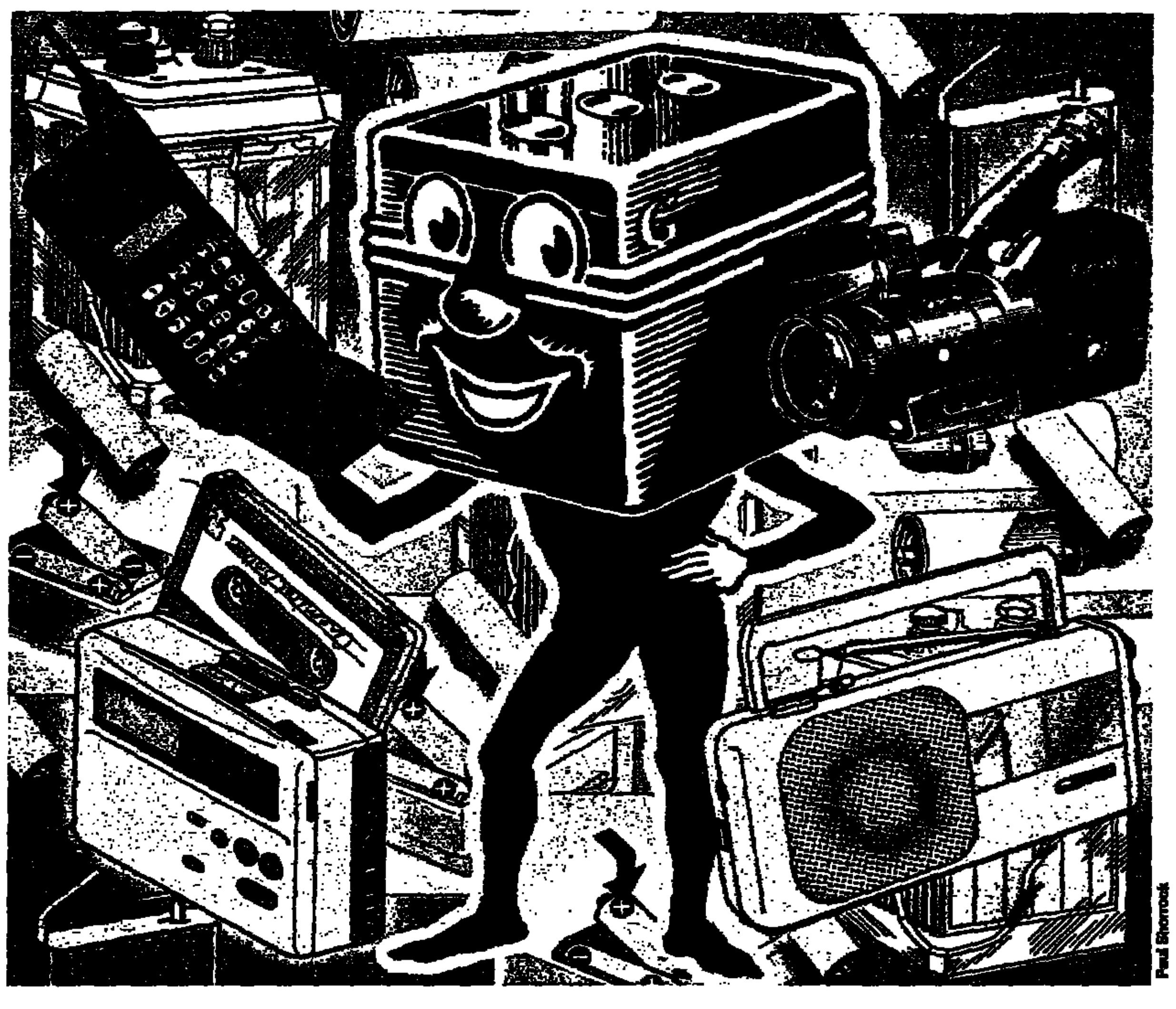
The biggest battery companies are mainly American, and include: Duracell, part of the Gillette consumer products company; Ralston Purina, owner of the Energizer and Eveready brands, which are two of the big three companies in small consumer batteries; and Exide, another big US group which, like Duracell and Ralston, has annual battery sales of around $2bn and is a dominant force in the lead-acid batteries seen in the vehicle industry and for stand-by power.

But leading the way in the newer types of rechargeable batteries used in fast-growing products such as mobile telephones are a clutch of almost entirely Japanese-owned companies. They include Matsushita, owner of the Panasonic battery brand and the final member of the "big three" battery companies worldwide, together with Sony, Sanyo, Toshiba, Asahi Chemical and Japan Storage.

These companies are the main makers of the three types of battery – nickel cadmium, nickel metal hydride and lithium-ion – which by dint of better electrical, chemical and environmental characteristics are seen predominantly in the new consumer applications. These require batteries which not only can be recharged simply and safely from mains electricity but are lightweight and can store large amounts of energy.

Other leading companies in batteries worldwide include Varta (Germany), Saft (France), BTR (UK), owner of Hawker Battery, Yuasa (Japan), Pacific Dunlop (Australia), and Delphi (US), part of General Motors, and Johnson Controls (US). Many of these groups are big in lead-acid batteries used in the vehicle industry – a part of the batteries business which is relatively slow growing but accounts for about one-sixth of the entire industry.

Behind the commercial battles is a big requirement for investments in R&D tied to new electrical and chemical technologies. Some of the ideas emerging from these disciplines will be discussed next week in Brighton, England, at the International Power Sources Symposium, an event which comes round every two years.



Paul Shorrock

In many of these technical fields, the Japanese are "dominating the market", according to Dr Robert Powers, a US battery consultant based in Westlake, Ohio, with the research drive being helped by the Japanese battery companies' close association with leading Japanese makers of electrical consumer goods.

In Europe and the US, the leading makers of portable telephones and computers, including Siemens of Germany, Finland's Nokia and Compaq and Motorola of the US, work closely with battery makers over new developments. Another important source of new technical ideas is AEA Technology, a UK company commercialising research originating from the Harwell nuclear power station and which holds many of the important patents used in the fast-growing lithium-ion batteries.

In consumer batteries, an industry thought to be worth around $20bn a year, the market is dominated by the old-established alkaline and zinc batteries which sell cheaply.

They are split into five main highly standardised packages – including the ubiquitous "pencil" or "AA" device, which accounts for around 70 per cent of the combined alkaline and zinc sales by volume, as well as the squat "D-type" battery, and the rectangular 9-volt package, the only member of the five basic types of batteries to be anything other than 1.5 volts.

With zinc batteries cheaper and storing less power than the alkaline types, which are based on the same basic chemical technology as zinc batteries but have improved electrical characteristics, the zinc forms outsell the alkaline in less-developed countries, while the reverse is true of high-income regions such as North America.

According to Duracell, twice as many zinc – or, to give them their proper name, zinc-carbon – batteries are bought annually around the world as alkaline ones. The total number of these so-called general purpose consumer batteries sold worldwide is 20bn a year.

With general purpose consumer batteries accounting for about 70 per cent by value and some 90 per cent by volume of the total consumer battery market, the most important part of the remainder comprises the newer high-power density and rechargeable batteries, with the lithium-ion type being the fastest growing. These types – including the nickel-based devices – are thought to account for production worth some $5bn a year, with the total likely to more than double by around 2001, according to some estimates. Lithium-ion sales are worth some $1bn a year, at manufacturers' prices. Sales volume (measured in numbers of cells) is likely to grow fivefold to the year 2001.

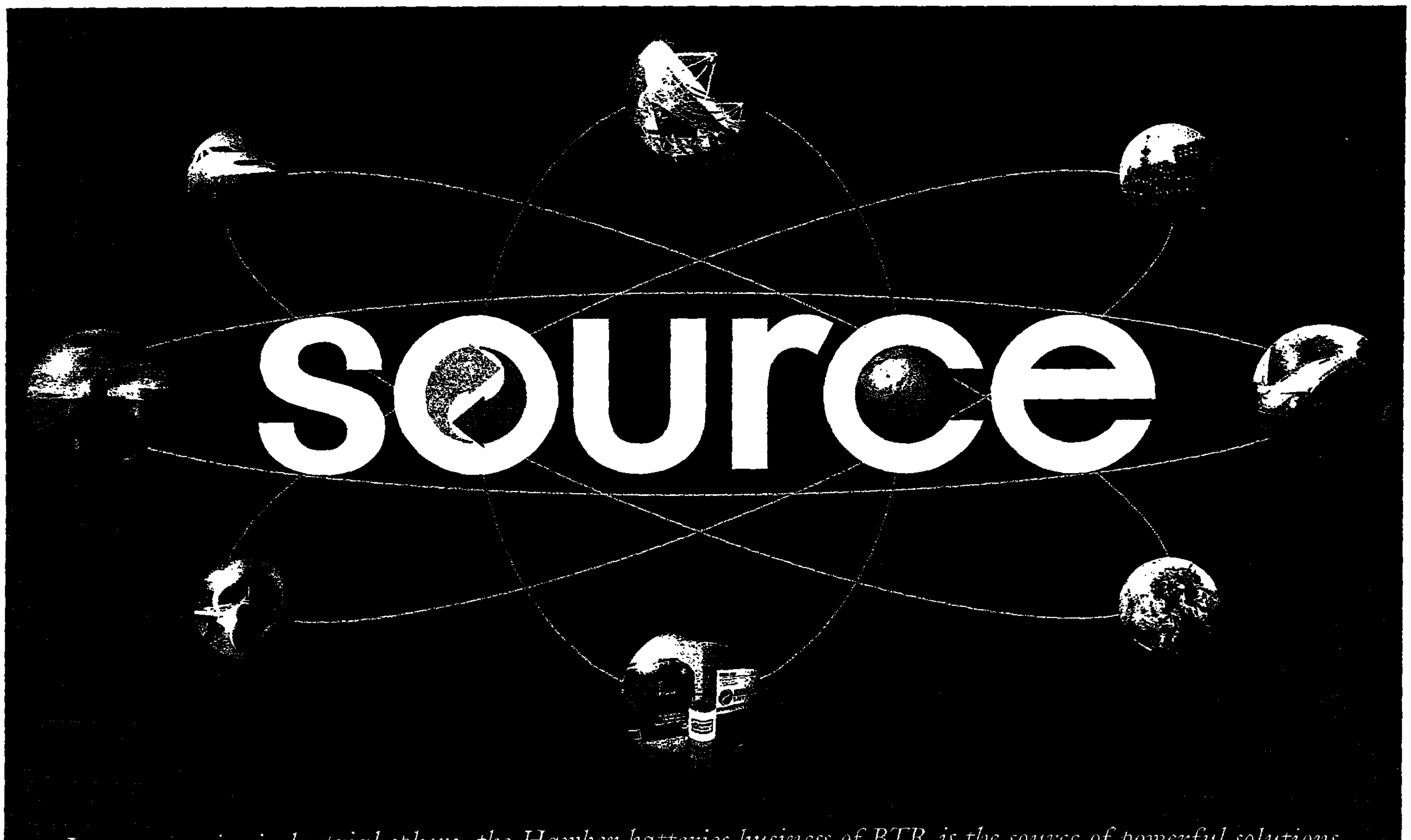
The remainder of the world battery industry, with sales of some $21bn a year, is accounted for by automotive and industrial batteries, predominantly of the lead-acid type, and with particular growth being seen in reserve power back-up for industries such as medical, power generation, computers and telecommunications.

Another potentially big source of growth is in the batteries required for the large numbers of industrial lift trucks which, some commentators believe, will be required in the warehouses and factories of the world's emerging economies in the first 20 years of the next century.

A specific focus is the estimated $500m being spent over the next few years in the US in researching new forms of electrical power which would be required for low-pollution vehicles. With much of this cash coming from the US department of energy, in a programme involving the big three car makers – General Motors, Ford and Chrysler – the development work is attempting to produce more efficient and higher-power forms of lead-acid battery as well as looking at new types for example based on nickel metal hydride.

Dr Patrick Moseley, an electrochemistry expert at the North Carolina-based International Lead Zinc Research Organisation, says it is a "distinct possibility" that early in the next century up to 500,000 electrically-powered cars could be in use in the US, propelled by novel battery devices which would be a stimulus for a big new industry in portable power.

Such possibilities have excited some in the US's large automotive battery industry, which each year turns out about 100m batteries for vehicle use, in both the new and replacement market – even though Mr Celwyn Hopkins, secretary of the Florida-based Independent Battery Manufacturers' Association, cautions that many technological barriers still have to be crossed before high-efficiency batteries capable of being topped up with the large amounts of power needed for driving become a realistic way of fuelling the next generation of cars.



In every major industrial sphere, the Hawker batteries business of BTR is the source of powerful solutions.

Wherever there's a need for industrial battery power, BTR is in the business of providing solutions through Hawker Batteries.

Hawker Batteries is the world's leading industrial battery group in every significant industrial market. Operating on all five continents with 18 state of the art manufacturing plants, Hawker Batteries leads the world in innovative battery technology.

One in five of the world's standby batteries are supplied by Hawker, providing uninterruptible power supplies for telecommunications, computers and essential services.

Hawker also provides power to the electrical powered vehicle market with 35% of the European market alone relying on Hawker Batteries.

In automotive batteries, Hawker is a major supplier to the UK and European markets and leads the way in improved technology to satisfy environmental and economic demands.

In special applications, including aviation and defence, the Hawker Batteries name is right at the forefront of technology too. Many aircraft using fly-by-wire computer systems, for instance, have Hawker batteries to support them. In addition, Hawker is actively involved in the fast growing, high technology Lithium battery development worldwide.

With the resources and global reach of BTR behind the group, Hawker Batteries will continue to push the boundaries of customer service and product design still further, to create ever more innovative solutions to meet the world's power needs.

HAWKER BATTERIES

THE BATTERIES BUSINESS OF BTR

HAWKER BATTERIES GROUP · CHALLENGE COURT · BARNETT WOOD LANE · LEATHERHEAD · SURREY KT22 7LW · UK · TELEPHONE (+44) 01372 362222 · FAX (+44) 01372 369308

CONSUMER GOODS • by Peter Marsh

Devices drive expansion

Manufacturers focus on Asia to take advantage of strong growth in demand

In much the same way as anti-friction bearings have become the ubiquitous building blocks for growth in much of the world's mechanical engineering industry, an alliance between the microchip and the electrical battery is driving expansion in many areas of personal electronics goods.

Sales of such batteries, at manufacturers' prices, are worth some $20bn a year, and are rapidly growing thanks to increasing purchases in many parts of the world of devices such as mobile phones, pagers and laptop computers, as well as older-style consumer items including torches, watches and portable CD players and radios.

The market can be split roughly 7:2:1 in value between the three basic consumer battery types:

- General purpose batteries, which are mainly zinc and alkaline types sold widely throughout the world for the most basic types of mobile electrical equipment. Sales last year are estimated at $13bn;
- Rechargeable special packs, which are mainly high power-density nickel cadmium, nickel metal hydride and lithium-ion systems for applications such as mobile telephones and computers. Sales last year were around $5bn. Production volumes look set to at least double by 2001, although value will climb at *less than this rate since* unit prices are falling rapidly;
- Special purpose batteries such as zinc-air, silver oxide, mercury oxide and lithium-ion cell devices. Sales in 1996 are put at some $2bn

The special purpose types are more expensive than the standard general purpose batteries; they can be used only once rather than having the ability to be recharged from a mains electricity supply.

Special purpose batteries are used mainly in a fairly small number of applications, including cameras, watches, hearing aids and pagers, where there is a smaller element of standardisation than for the much broader general purpose devices.

Rechargeable systems play a small role among general purpose devices, with only about 3 per cent of the relevant market in developed countries such as Britain being accounted for by nickel cadmium and related rechargeable types. Consumers in many countries do not want to recharge their batteries with special devices, especially given the generally lower amounts of power they can store compared with the "one-use" equivalent.

Roughly half the 20bn general purpose devices sold *annually are purchased* in east Asia, including Japan. The fact that sales of zinc batteries in this region outstrip alkaline sales by roughly five to one reflects the lower cost – though lower performance – of the older zinc type.

China alone accounts for sales of about 4bn consumer batteries a year, virtually all of them zinc, making this the world's biggest battery market by volume. In North America, which consumes some 3bn general purpose batteries a year, the ratio of alkaline to zinc is as high as 15:1, while in western Europe, with total general purpose battery sales of some 2.5bn yearly, it is about 3:2.

The world's leading consumer battery companies are increasing their manufacturing and marketing efforts in the booming Asia-Pacific region where there has been particularly strong growth in consumption. Duracell, for instance, has stepped up its drive to inculcate the population with its brand image – which in that country goes under the name "Golden Mighty King".

China and other fast-developing countries are benefiting from companies' investments in new production plants being constructed worldwide; Duracell alone *has increased global spending* on new and improved plants from $69m in 1994 to $172m in 1996 in an effort to consolidate market share.

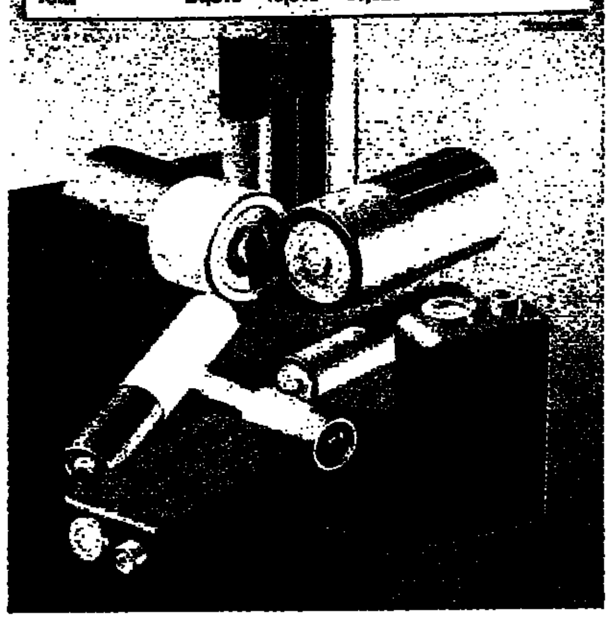
Another big effort by the battery makers is directed towards adding add value to their devices by incremental improvements in power storage and ease of use. Duracell claims its batteries last 70 per cent longer than a decade ago, while costing only a quarter more. Both Duracell and Ralston, the company's big US rival which makes the Energizer and Eveready brands, have produced some standard batteries with inbuilt testers so consumers can gauge the amount of energy left in them.

While the problems of standardisation have largely been solved in the general purpose end of the battery market, that is not the case for special packs. It can be difficult, for instance, to find a "plug-in" replacement pack – costing perhaps $20 to $30 for a mobile phone – without opting for a specific manufacturer's brand. Gradually, however, packs of this kind are seeing greater standardisation as use of the electrical devices themselves expands.

In the late 1980s, there were about 55 different shapes and sizes of camcorder batteries; now five sizes account for about 80 per cent of sales. In the case of mobile phones, 15 sizes of rechargeable batteries account for roughly three-quarters of sales, a better picture than as recently as 1992 when manufacturers produced roughly 75 types of battery for this application.

World battery sales

	($ million) 1989	1995	2000*	Annual growth (%) 1989-95	1995-2000*
Consumer	9,981	19,848	30,422	12.1	8.9
Industrial & other	8,512	13,704	19,717	8.3	7.5
Motor vehicles	5,817	7,266	11,381	3.8	9.4
Total	24,310	40,818	61,520	9.0	8.6



INDUSTRIALS • by Marcus Gibson

Vital role for back-ups

Standby power has to be readily available in many areas when the mains supply fails

The value of back-up batteries was proved a couple of years ago when Singapore Telecom suffered a massive power failure which severed all the island state's communications for five hours. Not only was the financial services industry hit hard, but no emergency phone calls could be made.

Singapore learned the lesson that critical infrastructure such as telecoms, hospitals, computers and radar must be equipped with a reliable and enduring reserve power supply, in the form of heavy-duty standby batteries.

Today, industrial batteries make up some 30 per cent of the total world battery market.

The two principal activities of the industrial sector are the provision of reserve power for infrastructure such as telecoms and computers, and secondly the supply of batteries for fork-lift trucks and various small order processing vehicles in the materials handling markets.

A more specialist area covers the needs of power stations, military vehicles, submarines and items such as portable X-ray equipment.

Standby power has overtaken materials handling to become the largest sector of the industrial market, with worldwide sales of more than $1bn. The fastest-growing area is in telecoms, especially cellular networks, whose many hundreds of base stations each require a long-life battery in case of mains power failure.

Mr Mike Dunckley, marketing director of the UK's Hawker Battery Group, part of BTR, said: "Many of these batteries may never be used. But while British Telecom may have one or two power failures a year, batteries in developing countries might be working every day."

Fifteen years ago, teams of technicians at Europe's telephone exchanges would monitor large, vented rooms filled with battery power. Nowadays, cost cutting has led to the elimination of the dedicated engineer and to the development of sealed, very low maintenance batteries which cut in automatically when required.

The materials handling market, also worth around $1bn a year worldwide, is growing rapidly, especially in Asia. In Europe, most fork-lift trucks and short-range vehicles operate indoors in emission-free environments, which means that some 60 per cent of the 100,000 or so units sold each year are fitted with batteries. In the US, however, only 40 per cent have batteries.

Asian markets for batteries to drive fork-lifts area increasing because with labour costs in countries such as Korea reaching European levels, mechanical handling has suddenly become essential.

Many other sectors in the European battery market have not shown such promise, and over the past nine years the industry has endured a tough period of consolidation. In 1988, the purchase by the French-owned Ceac Group of Chloride's motive power division triggered a wave of takeovers. By 1996, 22 independent manufacturers had been reduced to just eight. The European market had come to be dominated by two companies: Hawker Battery held 35 per cent of the market, and the US-owned Exide Europe, which is largely focused on the automotive sector, around 40 per cent.

With the arrival of the European single market purely national battery makers found their hitherto protected territory challenged by cross-border raiders, and prices fell. But where other battery manufacturers could see nothing but gloom and free-falling sales, Hawker perceived opportunities on a global scale.

The past three years has seen several significant developments. First, the European Battery Manufacturers' Association (Eurobat) signed an agreement with the European electrical standards institute, Cenelec, to introduce greater harmonisation in the industry. Secondly, OEM (original equipment manufacturer) sales in Europe rose in 1996 for the first time in several years, signalling the start of a replacement cycle in original equipment sales in materials handling. Lastly, in December 1995, Hawker bought the ailing industrial battery division of Germany's Varta group.

After a bumper year following German unification, Varta's battery sales crashed, and the loss of its home market left the company without direction. But, in a rare instance of a British company injecting new life into an icon of German industry, Varta's sales have started to grow again – with the loss of only 15 per cent of jobs – to an annual turnover of DM430m.

Technology, too, has moved forward, even if customers have been reluctant to pay a premium for improved performance. The introduction of electrical agitation and oxygen cooling systems allowed chargers to push more energy into batteries and also cut re-charging times.

Markets of the future for industrial batteries include urban, emission-free vehicles ranging from short-range delivery units increasingly required by utilities such as national post offices, to the potential of millions of lightweight, power-assisted bicycles, ideal for the congested and polluted streets of India and Thailand.

In the meantime, Singapore Telecom has received a full complement of extended-life batteries from both European and Asian manufacturers.

FUEL CELLS • by Clive Cookson

Mass production is still years away

Only recently has the potential of this power source been exploited by industry

A fuel cell is a special type of battery containing no stored chemicals. The reactants that deliver electric power are fed continuously into the cell.

When the chemicals in an ordinary battery have been used it has to be thrown away or recharged electrically. A fuel cell, however, runs for as long as the reactants are fed in.

This feature makes it an attractive alternative to conventional batteries for electric cars. On-board fuel storage gives the fuel cell a greater range than a battery-powered car and – more significantly it takes much less time to refuel than to recharge a battery.

Although the first fuel cell had been demonstrated in 1839, it was no more than a scientific curiosity until the 1960s. Then fuel cells came into use for a few specialised applications, such as powering spacecraft, but many critics derided the technology until recently as one of those brilliant ideas whose wide-scale application always lies 20 years ahead.

During the 1990s, however, so many international companies have poured research resources into cutting the costs and improving the performance of fuel cells that there seems a realistic prospect of the technology going into mass production by 2010. It is potentially attractive as a clean energy source not only for moving vehicles but also for stationary power generation.

The roll call of companies working seriously on fuel cells runs from vehicle manufacturers (including Daimler-Benz, Chrysler, General Motors, Hitachi, Honda, Volvo and Volkswagen), to electrical equipment companies (such as Siemens and Hitachi), electric utilities (Southern California Edison and GPU) and chemical and materials suppliers (Johnson Matthey, Hoechst, BASF).

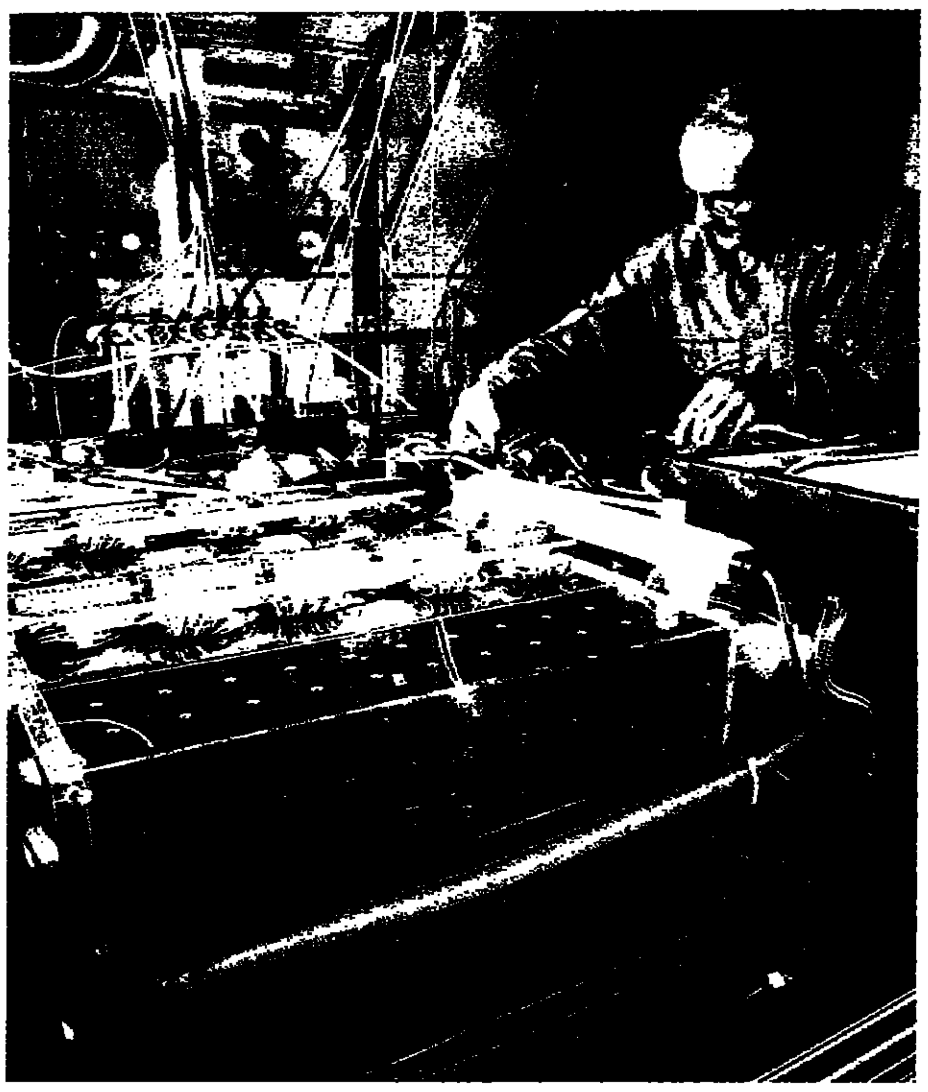
Smaller companies which specialise in fuel cells include Ballard Power Systems, of Vancouver, Energy Research Corporation, based in Connecticut, and International Fuel Cells, a US-Japanese joint venture.

A feature of fuel cell development is the complex network of corporate alliances involved. Government agencies also contribute substantial research funds because energy policy supports the emergence of a clean and convenient new source of power.

Daimler-Benz, the German auto manufacturer, has one of the highest-profile fuel cell projects. Its experimental Necar II is based on a Mercedes V-class car, with the fuel cell system packed under the rear seat bench and the hydrogen fuel stored in tanks under the roof.

The Daimler-Benz system runs on one of the simplest of all chemical reactions: hydrogen combines with oxygen (from the air), to make water. It is the same reaction as burning hydrogen except that the energy is released as electricity instead of heat.

Hydrogen fuel will not be a practical option for general motoring in the foreseeable future because the refuelling infrastructure is not in place. Enthusiasts may dream of a hydrogen economy free of polluting fossil fuels, but in practice liquid fuels will be far more acceptable.



This type of fuel cell fits under the back seat of Daimler-Benz's Necar II experimental car

Methanol (methyl alcohol) is the most favoured liquid alternative to hydrogen for fuel cells. The option most likely to be adopted in the short term is to convert methanol into hydrogen in a unit called a reformer and run the cell on hydrogen.

A more elegant and efficient solution in the longer term will be to run the fuel cell directly on the reaction of methanol with oxygen from the air (producing carbon dioxide, water and electricity).

Still more ambitious technically – and most convenient of all for the motorist – is a project that Chrysler announced last January. It is working with GM's Delphi subsidiary and Ballard to develop a car powered by a fuel cell running directly on petrol (gasoline). The first target is to demonstrate the "proof of concept" of "an electric car that runs on gasoline" in 1999.

Chrysler says a fuel cell would use petrol 50 per cent more efficiently than a conventional internal combustion engine and would cut emissions of smog-inducing pollutants such as nitrogen oxides by 90 per cent.

The key component of a fuel cell is its electrolyte, the thin charge-carrying layer that keeps the reactants (such as hydrogen or methanol and oxygen) separate while promoting the reaction between them. The best system for vehicles is the proton-exchange membrane (PEM) which can operate at the temperature of a conventional car engine. It is a thin plastic membrane coated with platinum catalyst to speed up the reaction.

Stationary power plants tend to have fuel cells operating at much higher temperatures. For example the 2MW Santa Clara Demonstration Project, which began to deliver power to 1,000 homes in California last year, has a molten carbonate electrolyte running at a temperature of 700°C

The Santa Clara plant contains stacks of fuel cells that generate electricity directly from the oxidation of natural gas, without having to convert the gas first to hydrogen in an external processor.

Energy Research Corporation, the developer of the technology, has also demonstrated smaller units running on a variety of fuels including coal gas, alcohol and diesel, and it says renewable sources such as biomass and landfill gas are potential fuels, too.

Fuel cell developers believe that deregulation of the electricity supply industry, particularly in the US, will lead to a large demand for relatively small generating units, in the 250kW to 2MW range, that could deliver electricity to customers such as hotels, hospitals, isolated communities, retail and commercial centres, and industrial zones.

The advantage of fuel cells over conventional generating plants is that they are cleaner, quieter and more efficient. The disadvantage, at present, is that they are more expensive and their reliability is not yet proven. But the fuel cell industry is confident that its stationary plants will be commercially competitive, without the need for government subsidies, within five years.

Tailor-made: decision of confidence

FRIWO

WE SOLVE FOR INDIVIDUAL PROBLEMS

Design and technical excellence are essential – for tailor-made products as well as for innovative solutions in electrochemistry.

Our customers are used to obtaining the optimum: reliable functionality and perfect safety for their batteries, even under extreme conditions. The FRIWO Engineers are ready to design your custom-tailored battery system – as your partners.

Reliability since 1884.

FRIWO SILBERKRAFT
Gesellschaft für
Batterietechnik mbH
P.O. Box 10 05 52
D-47005 Duisburg
Germany

For further information simply phone:
+49/203/30 02-0
or fax:
+49/203-30 02-240

ucb Films

CELLOPHANE
THE NATURAL NAME IN SEPARATORS

- The first major commercial development in improved cellulose film separator performance for 30 years is just around the corner.
- The considerable research and development skills of UCB Films are being focused on ways to extend the life of cellulose separators in alkaline batteries.
- The exciting results will be available soon...

For more information please contact:
UCB Films PLC, Wigton, Cumbria, CA7 9BG, UK
Tel: +44 (0)16973 42281 Fax: +44 (0)16973 41417

Expatriate recruitment for
PRODUCTION MANAGER
RESEARCH & DEVELOPMENT MANAGER

Exact Co. for SLI battery production prominent and well reputed enterprise located in Egypt/Alexandria. Seeking to hire mature and aggressive expatriate Production Manager and Research & Development Manager.

Requirements: 7-10 years experience in the field of SLI Battery technology. Interviews will be held in London from late April 1997.

Send resume no later than the week of 30th April.

Fax 0044/1404 45102 United Kingdom - Honiton
LEWIS Industrial Products LTD

DARAMIC
THE WORLD'S NO. 1 BATTERY SEPARATOR COMPANY...for all the right reasons.

ENVIRONMENTAL ISSUES • by Leyla Boulton

Doubts hold back recycling

Strenuous efforts are being made in some countries to keep batteries out of landfill sites

The first big question mark over the business of battery recycling is whether it will ever become comfortably profitable. The answer is, probably not.

The other question is how far such recycling benefits the environment. The answer is, it depends on the type of battery recycled.

Efforts are under way by government regulators to improve prospects for both the environment and recyclers by increasing the volume of batteries offered for recycling.

Last year, President Bill Clinton signed into law a bill easing hazardous waste disposal rules to allow more recycling of nickel-cadmium batteries by US industry.

The US Portable Rechargeable Battery Association expects the law to help it boost collection rates to 70 per cent of batteries from mobile telephones and appliances by 2001.

The European Commission in Brussels is considering revising and extending the scope of its existing battery recycling directives.

A first directive, dating from 1991, requires separate collection systems for batteries containing minimum levels of cadmium, mercury, and lead. It also requires work by industry to reduce the heavy metal content of nickel-cadmium batteries, which are used mainly in mobile phones, power tools, and other appliances.

A second directive, from 1993, requires such batteries to be marked with a European Union symbol – showing a crossed out rubbish bin – indicating they require recycling.

The aim is to keep heavy metals which can harm human health out of landfill sites. But the Commission has launched 20 separate legal proceedings against various member-states for inadequate or non-compliance with both directives.

European Union officials say one reason for expanding the existing legislation to include ordinary disposable batteries – which by and large do not contain heavy metals – would be to improve member-states' levels of compliance.

The Commission could produce proposals for revised legislation by the end of the year, with adoption by member-states in three years' time at the earliest.

But officials say it is not at all clear that member-states will approve Commission proposals at a time when enthusiasm for green regulation is waning.

But there clearly is scope for increased recycling as demand for products containing recyclable batteries – such as mobile telephones – continues to rise.

Japanese industry, for instance, recently launched a campaign to educate the public and increase the number of drop-off points for discarded batteries to try to increase recovery of nickel-cadmium batteries. It hopes this can rise to 2,400 tonnes by 2000 – or 10 per cent of the quantity sold in Japan every year – from 319 tonnes recovered in 1995.

The business is dependent on markets for nickel and cadmium that are recycled, and suppliers of the batteries only get paid, if at all, after recyclers have been able to cover their processing costs.

At present most nickel cadmium batteries collected for recycling in the UK are being shipped to Snam, the French recycling company. Existing facilities already suffer from surplus capacity while new plant is very expensive to build.

Transport across the Channel to Snam, which has facilities at Lyon and Toulouse and also handles batteries from national collection schemes in Germany, Belgium, Italy, represents half the costs of recycling.

Swiss plants set up to recycle batteries have sought to compensate for a low throughput by expanding into other types of recycling ranging from dental waste to catalytic converters.

By contrast, most so-called lead-acid batteries for cars have long been recycled because it has been profitable to recover the lead they contain.

Some advocates of "producer responsibility" – the notion that manufacturers should take back discarded products for environmentally-friendly disposal – say its biggest merit is to put pressure on manufacturers to make their production process more efficient and environmentally-benign.

Companies also see in voluntary schemes an opportunity both to enhance their green credentials with consumers and avoid more draconian laws being imposed on them by governments.

Cellular telephone manufacturers Alcatel, Ericsson, Motorola, Nokia, and Panasonic in February launched two pilot schemes – in the UK and Sweden – to take back redundant or broken phones from customers for recycling.

The aim of the six-month pilot projects is to ascertain what the costs and appeal of a European-wide campaign might be.

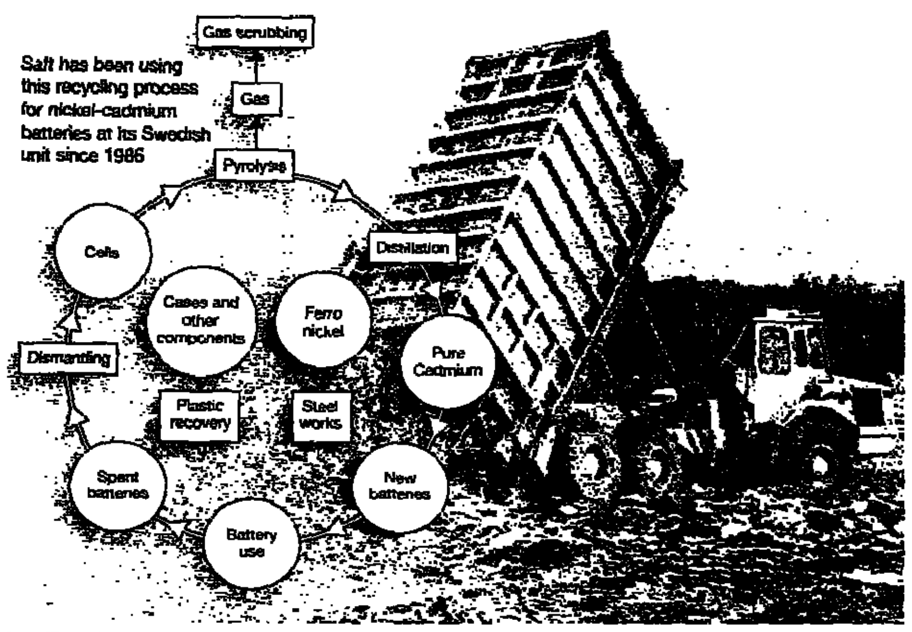
Ameritech Cellular and Paging of the US has meanwhile teamed up with a consortium of battery manufacturers to collect and recycle used batteries from cellular phone owners in the mid-West.

But Mr Paul Dukes, of the British Battery Manufacturers' Association, warns that industry will want to be satisfied that any new rules from above do not "distort" markets or impose on it excessive burdens not commensurate with their cost to the environment.

Although they are far more amenable to pressures by industry for flexible cost-effective law making, government regulators on both sides of the Atlantic need also to be wary of introducing legislation that is so vague as to create only more chaos.

The fact that the original European Union battery directive contained no specific recycling targets is an example of regulatory "flexibility" causing more harm than good.

The green route



Landfill is falling out of favour as a means of disposing of used batteries. New regulations in the US and in the EU are designed to boost collection and recycling rates

TRANSPORT • by John Griffiths

Electric vehicles stuck in slow lane

Car makers are still wrestling with lack of performance and range, writes **John Griffiths**

In theory, the electric vehicle (EV) represents the promised land for the world battery industry.

Some 35m to 40m cars are produced around the world each year, virtually all of them powered by petrol or diesel. Urban pollution and global warming are increasingly urgent concerns – and the equally inescapable consequence of using internal-combustion cars as transport, even though catalysts have made their exhaust emissions much cleaner.

However, after a century of development, the very severe drawbacks of the EV persist: even state-of-the-art batteries are capable of storing far less energy than a tank of petrol, performance is inferior, and recharging is comparatively slow.

Nevertheless, the drive to find a a solution has been given sharp new impetus in the 1990s by the California Air Resources Board's (Carb) efforts to improve air quality in the notoriously smog-shrouded Los Angeles basin. At the start of the decade the big car makers were told that if they wished to stay in California's huge and valuable market, 2 per cent of their sales had to be of zero emission vehicles (ZEV) by 1998, rising to 10 per cent in 2003.

Battery producers and car makers have since joined forces, with substantial amounts of government funding, to speed up the search for solutions. The US federally-funded Advanced Battery Consortium (Abac), comprising leading car and battery makers, has been exploring at least a dozen possible new battery technologies.

Ford's electric Ranger pick-up now being introduced to the California market currently uses lead acid batteries but will switch to higher-performing nickel-metal hydride (NiMh) units next year. Both the US-based Ovonic Battery Company, a General Motors affiliate, and Europe's Varta group are playing leading roles in the technology's development.

Varta is also deeply involved with another alternative technology, lithium-ion, in which Duracell is a rival. Both have received grants approaching $20m from the US "big three" car makers – GM, Ford and Chrysler – to pursue the technology. In Japan, Nissan and Sony Corporation are collaborating on the same technology.

Ford is also optimistic about the long-term prospects of lithium polymer as a high-performance battery couple, one of the most favoured of the advanced battery consortium's projects and the development of which is being led by 3M.

A wholly battery-powered car capable of more than a short drive within the sprawling Los Angeles conurbation has however eluded the industry's best efforts.

The Carb has had to concede that, technologically, vehicle makers have not been "crying wolf" about their ability to meet its initial criteria for ZEV sales. The 1998 deadline has been replaced by a compromise under which the battery and vehicle industries are jointly putting 4,000 battery-powered cars and light trucks on California's roads between now and the year 2000 as part of a trial.

The vehicles are available for sale or lease to private buyers. But their range is at best little more than 80 miles if the vehicles are driven normally within traffic flows.

The Carb is not backing away – yet – from its requirement for 10 per cent of sales to be of ZEVs by 2003. But battery development will have to accelerate a great deal if there is not to be another Carb backtrack.

A new area of possible compromise is emerging, however. It could take the Carb a long way towards its own fundamental goal of much cleaner air, get car makers off the frustrating EV research hook, give car buyers much cleaner vehicles free of range restrictions – and still reward battery makers for their own intensive R&D efforts.

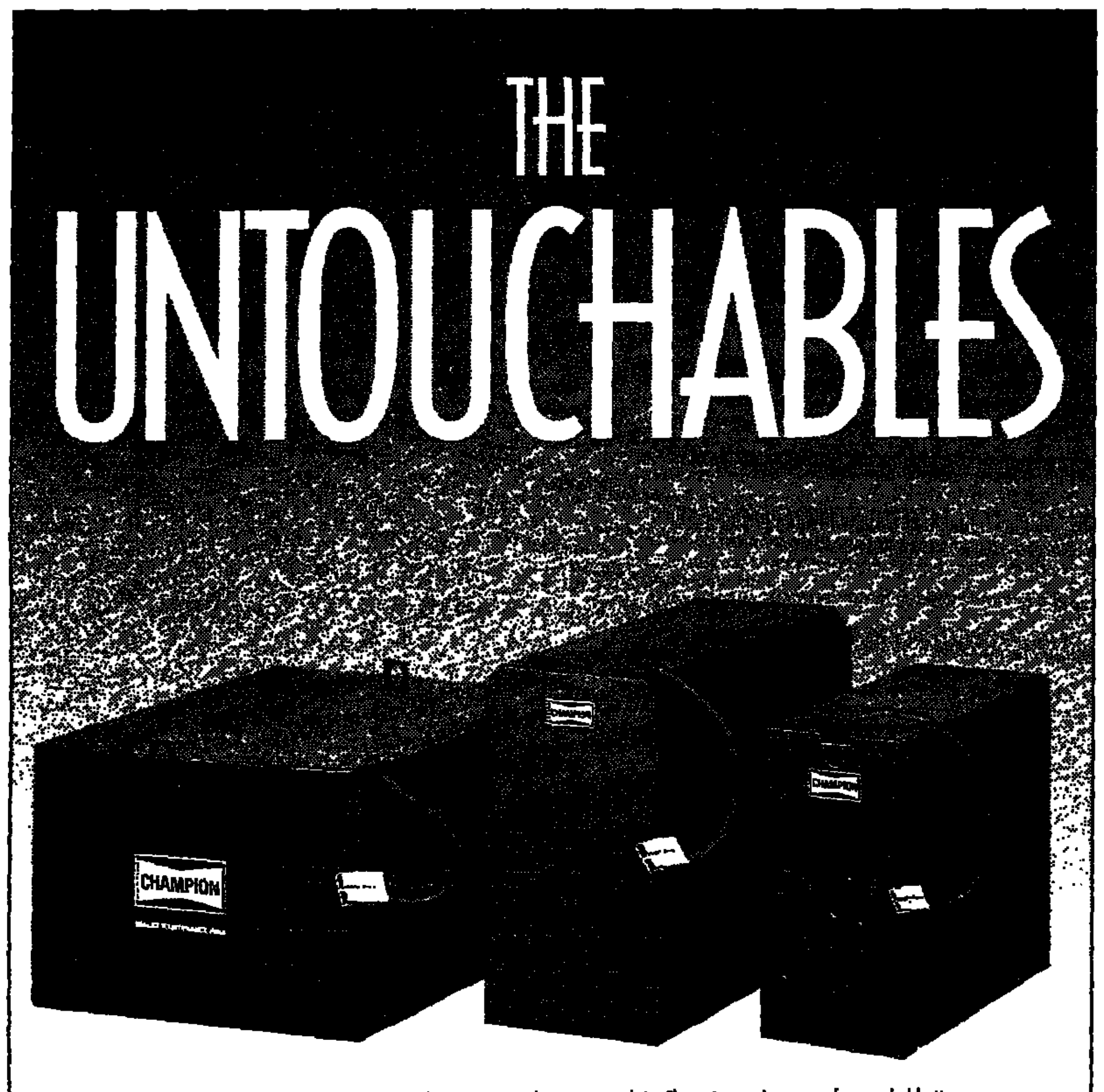
The compromise centres on a suggested "EZEV" (equivalent zero emissions vehicle) standard. EZEV would give car makers an emissions "allowance", equivalent to the pollution created by an oil or coal-fired power station in recharging the battery pack of a solely battery-powered vehicle.

That in turn would allow battery and car makers to produce "hybrid" cars, incorporating both a diesel or petrol engine and an electrical drive system comprising generator, motor and battery pack. The petrol or diesel could be either very small and run at a constant speed merely to keep batteries charged – a system itself capable of huge reductions in emissions compared with a conventional car. Or it could be larger and the main motive power outside of cities, while also charging a battery park for urban use.

So far, the Carb has been reluctant to consider such an alternative, but it may have to do so if the ZEV effort continues to struggle.

Although most attention has been focused on North America, there are also developments in Europe.

In France, Saft has invested FFr100m in a facility at Bordeaux for the automated production of nickel-cadmium EV batteries in volumes of up to 15,000 units a year. Current output is 5,000 units a year, the Peugeot-Citroën car group the main customer.



For a lifetime of dependable, maintenance-free power, nothing can touch it. Champion maintenance-free sealed battery technology. The new state-of-the-art from GNB Technologies - one of the world's largest industrial battery suppliers.

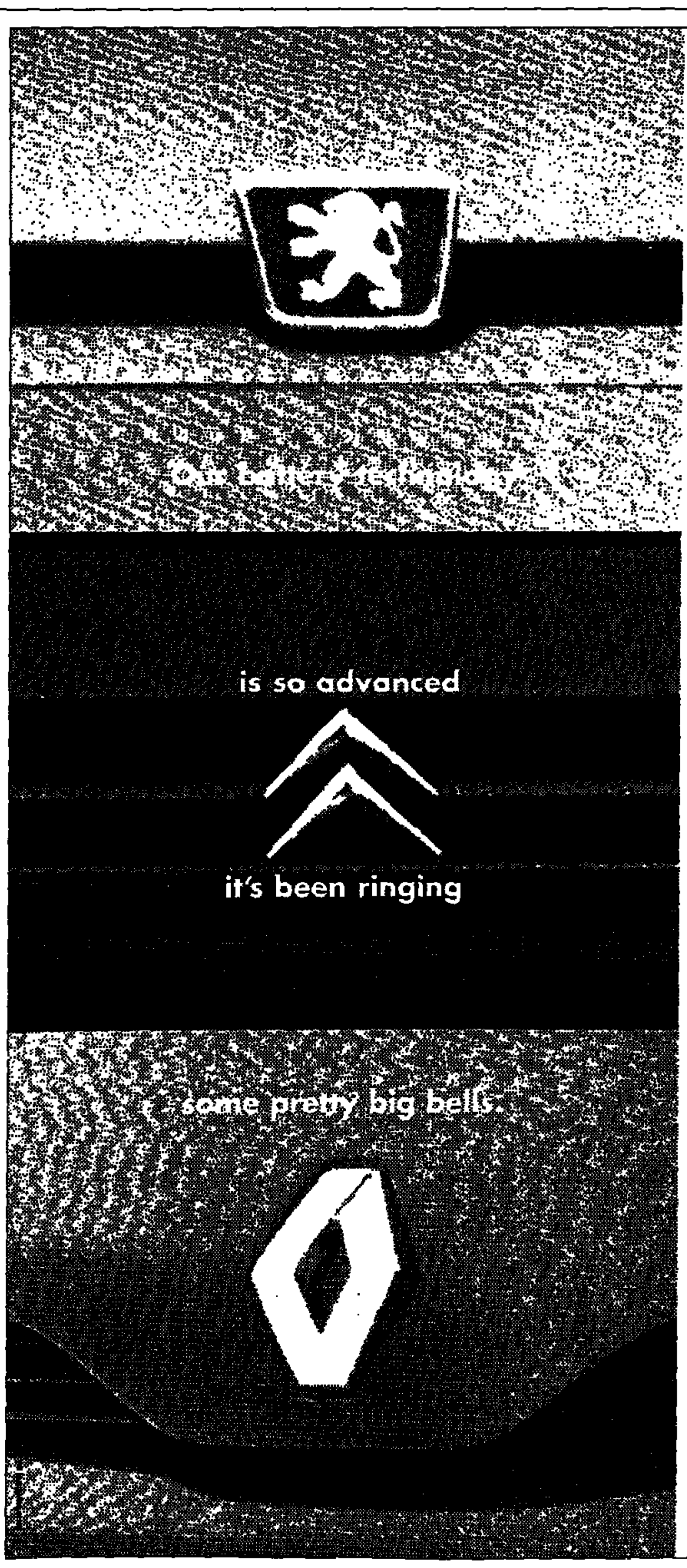
Its unique sealed design means you'll never pay a dime in maintenance. And with our patented Absolyte® technology, you get more performance for your dollar. Because Champion batteries last longer, charge faster and discharge deeper than gel-sealed or lead-acid competitors.

For the perfect solution to all your motive power requirements, call in The Untouchables. And cut your costs, not your power.

GNB TECHNOLOGIES
CHAMPION

Maintenance-free sealed battery technology

GNB Technologies, Faradon Road, Market Harborough, Leicester LE16 9NP, UK. Tel: +44 (0) 1858 434409 Fax: +44 (0) 1858 434431
GNB Technologies Europe, Wijngaardveld 34, Aalst, B-9300, Belgium. Tel: +32 (0) 53-73-53-53 Fax: +32 (0) 53-77-75-56



Already thousands of electric vehicles - cars, commercial vehicles even scooters - are zipping around our cities powered by nickel-cadmium battery technology pioneered by Saft. To accelerate the trend, Saft, the world leader in batteries for electric vehicles, continues to invest massively in research and development. But it's got to be a joint effort. It is. At Saft we're working with partners to develop new technologies - nickel-metal hydride and lithium-ion - to bring the car of the future out the show-room. And get the show on the road.

156, avenue de Metz
93230 Romainville - France
Tel.: +33 (0)1 49 15 35 12
Fax: +33 (0)1 48 91 95 53

Saft. Power solutions for electric vehicles on the move.

SAFT

PROFILE Saft

Supplying power for Ariane rockets

It is easily missed among the myriad businesses of Alcatel Alsthom, the French telecoms and engineering giant. And yet it employs about 7,000 people and claims to be Europe's leading maker of rechargeable batteries for portable devices.

France's Saft is a FFr5bn turnover, high-tech battery specialist with an impressive range of capabilities in its chosen field. In addition to its portable battery activities, it is, for example, the only lithium battery supplier to Europe's Ariane rockets and claims to be the world's largest supplier of aircraft batteries. Last year it accounted for just 3 per cent of the parent group's turnover, but generated more than 10 per cent of operating profit.

The company has three principal product lines: portable batteries, industrial and advanced technology batteries, and power electronics, power systems and emergency lighting.

Its portable batteries, which accounted for 34 per cent of sales in 1995 and nearly 40 per cent last year, are used in products such as hand tools, household appliances, cellular telephones and laptop computers.

The company acknowledges it faces tough competition from Japanese battery manufacturers. "The whole game is to develop products with less weight and more energy," it says. Across all product lines, R&D spending is currently 5.5 per cent of turnover.

The main applications for Saft's industrial batteries are in the aviation, railway and general industry sectors. It claims, for example, to have provided batteries for all France's Trains à Grande Vitesse, which are made by GEC Alsthom, a 50-50 joint venture between Alcatel and the UK's General Electric Company.

In July 1995 it acquired Ferak, a Czech company specialising in nickel cadmium industrial batteries used in rail transport, mining and industry. Management believes the deal gives it about 35 per cent of the central and eastern European industrial batteries market.

Advanced technology batteries consist of aerospace batteries and batteries for torpedoes and similar applications. Power electronics includes products such as battery chargers, back-up systems and rectifiers.

The company's future strategy focuses on the portable lithium-ion battery and batteries for electric-powered cars, both of which management believes to be promising markets in coming years.

In the portable battery sector, the company is targeting the laptop computer market with a recently developed prismatic lithium-ion battery designed to keep going longer between charge-ups than a conventional battery. Production of this battery has started in Poitiers, central France. A company spokesman said: "You could cross the Atlantic easily on one charge."

In October 1995, the company opened in Bordeaux, south-west France, the first production assembly line for the manufacture of nickel-cadmium batteries for use in electric cars. Annual production capacity is 5,000 batteries, but the company says this could be expanded to 15,000 since the workforce currently operates a single shift.

In June, it plans to open a pilot plant capable of producing a limited number of the new nickel-metal hydride batteries that, it says, should extend the range of electric cars to about 130 km between recharges from 90 km at present. It expects to begin commercial sales of this product by the end of the century.

By 2003 to 2005, it expects to begin sales of lithium-ion car batteries. These should be capable of further extending the range of electric vehicles to some 200 km. Even so, it acknowledges that the electric car – which it thinks could account for 3 per cent of car sales in OECD countries within 10 years – will probably be largely confined to urban and suburban transport uses for the foreseeable future.

David Owen

With consumers and industrialists frequently befuddled by the jargon associated with battery applications, here is a guide to the main terms in use, writes **Peter Marsh**

Anode: Basic part of any battery: provides the negative terminal, or source of electrons that produces the current.
Battery: Electrochemical cell that stores energy for use on demand.
Cathode: The positive terminal in a battery.
Duracell: US group, owned by Gillette consumer products company, that is one of world's top three battery makers.
Electrolyte: The material through which electrons pass between the anode and the cathode.
Faraday: British scientist who in the early 19th century used batteries made from "voltaic piles" to develop pioneering studies into electricity and magnetism.
High-power batteries: Include lithium cells, which are useful in high-drain applications.
Ion: An atom, or group of atoms, that has gained or lost electrons and has a negative or positive charge.
Japan: Centre for development of new rechargeable batteries.
Kodak: US camera company which in the 1950s introduced cameras with inbuilt flash units.
Lift trucks: Most of them require a battery storage system, normally of lead acid type.
Manganese: Important element used in ubiquitous alkaline batteries, which use same basic electrochemistry as zinc batteries but give longer life and higher power.
Nickel metal hydride cell: A rechargeable battery in which the anode is a "hydrogen storage" metal alloy and the cathode is nickel oxide.
Oxidation: Scientific term for the process of the anode losing electrons during discharge.
Primary battery: Battery that cannot be recharged.
Question mark: Plenty of these hanging over the future of battery-driven cars.
Ralston Purina: One of world's big three battery makers, behind Energizer/Eveready brands.
Secondary battery: Battery capable of being recharged.
Throw-away society: Batteries are helping to fuel growing volumes of waste materials in most countries. Though some fret about the environmental problems, the battery industry says most batteries are safe to dispose of in conventional ground storage sites.
Ultra-long storage life: This is the claim for the latest lithium cells, which can sometimes hold their power for decades, due to highly stable structure involving the use of a solid organic electrolyte.
Volta: Italian scientist who in 1800 published details of one of world's first batteries. Gave his name for the "volt" - the basic unit of electromotive force.
Watt: Basic unit of energy.
Yellow fever: US battery scientists had to battle against this in trying out, during the second world war, two new types of mercury cells used in tropical zones.
Zinc batteries: High-volume type, account for 70 per cent of sales in units of general-purpose consumer batteries.

PROFILE Duracell

Investing in innovation

Making a longer-lasting battery is all well and good, but it has its downside. Duracell, the US battery maker, says its alkaline batteries last 70 per cent longer today than they did just 10 years ago, yet typically cost only 25 per cent more in the stores.

Fortunately for Duracell's bottom line, that is not the only factor at work. Demand for the company's products is rising sharply: in the year to June 1996, its output of alkaline batteries rose by 11 per cent to more than 3bn units.

Duracell is the world's biggest manufacturer of alkaline batteries. As such, it is in a favourable position because the world market for alkaline batteries is expected almost to double in size to an estimated $7bn a year by the end of the decade.

One reason for the expected surge in sales is that alkaline batteries last five or six times longer than conventional zinc carbon batteries, yet cost only two or three times the price. This gives consumers an obvious incentive to switch.

The opportunities for conversion are particularly striking in emerging markets, provided users can be persuaded to make the bigger initial outlay. For example, people in China, India and Russia use about 6bn batteries a year – some 30 per cent of the world market – but fewer than 5 per cent of these batteries are alkaline.

Other factors, too, are working to Duracell's advantage. Demand for all types of batteries is rising because of the growing demand for portable electronic equipment such as pagers and personal compact disc players. And the company has big opportunities for international expansion: at present, only 20 per cent of its sales are outside North America and western Europe.

Duracell has maintained its leadership of the alkaline battery market partly by investing in innovation. In 1990, it used thermochromic technology to incorporate a battery tester in the packaging of its batteries, enabling users to check how much power was left. Last year, it went a step further by introducing the PowerCheck battery, which incorporates a tester in the shell of the battery itself. It is activated at the touch of a small, white dot.

The company is also investing heavily in developing high-power rechargeable batteries to serve the growing market for consumer electronic devices such as cellular telephones and camcorders. Last year, in a joint venture with Toshiba of Japan and Varta of Germany, it opened a plant in the US to manufacture nickel metal hydride cells for rechargeable battery packs.

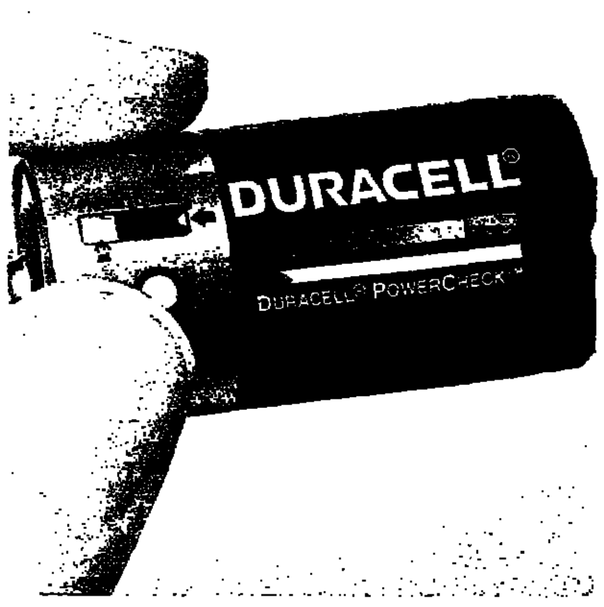
In spite of this favourable background, last year was not a great one for Duracell. In the year to June 1996, revenues surged by 10 per cent to $2.3bn, but net profits rose only 4 per cent to $245bn – far short of the company's target of 15 per cent.

A number of factors were to blame. In the US, the company suffered disruption from the installation of new, high-speed alkaline battery manufacturing equipment. The company also experienced a squeeze on profit margins because of a trend towards buying batteries in multi-packs, at a lower average price per battery. And, internationally, economic weakness hit the contributions from some areas, notably continental Europe and Mexico.

It was probably no coincidence that soon after reporting this disappointing performance, Duracell – then 34 per cent owned and controlled by Kohlberg Kravis Roberts, the New York investment firm – agreed to a $7bn takeover by Gillette, the US razor and toiletries company.

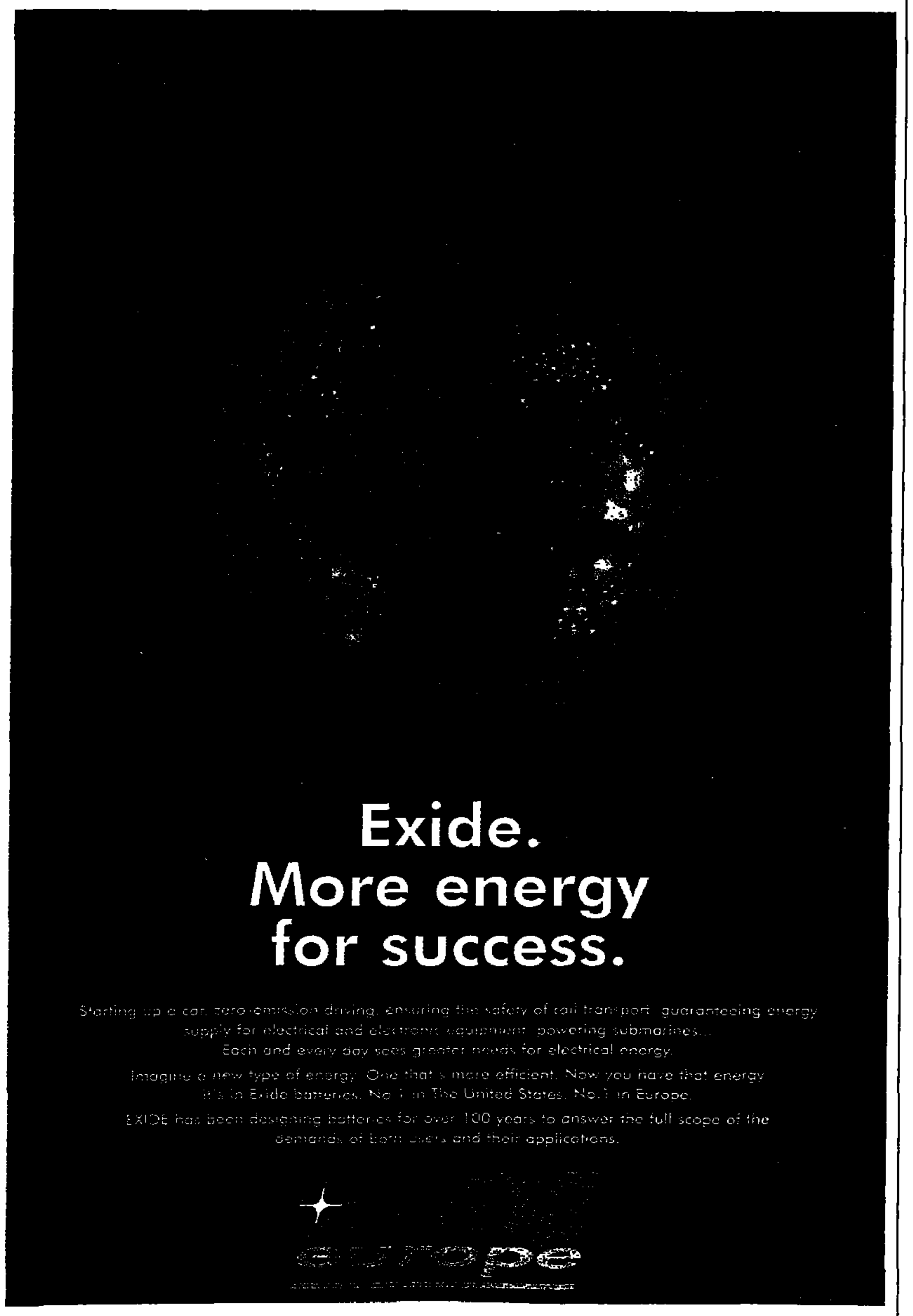
The deal was given a warm welcome on Wall Street because Duracell's batteries appeared to sit well alongside Gillette's range of consumer products, many of which are sold in similar outlets. The merger offered the opportunity to make big cost savings by using Gillette's distribution and marketing networks to sell Duracell's batteries.

Perhaps the biggest potential for the merger, however, lies in the opportunity to accelerate Duracell's international expansion. Gillette has a far wider geographical spread than Duracell: some 63 per cent of its sales last year were outside the US, compared with Duracell's 20 per cent. With Gillette using its international clout to sell Duracell's products, both companies can expect Duracell to reinforce its position as the world's leading maker of alkaline batteries.



The PowerCheck battery allows users to test its condition

Richard Tomkins


Exide.
More energy
for success.

Starting up a car, zero-emission driving, ensuring the safety of rail transport, guaranteeing energy supply for electrical and electronic equipment, powering submarines...
Each and every day sees greater needs for electrical energy.
Imagine a new type of energy. One that's more efficient. Now you have that energy. It's in Exide batteries. No.1 in The United States. No.1 in Europe.
EXIDE has been designing batteries for over 100 years to answer the full scope of the demands of both users and their applications.

europe

Exide. The first name in batteries.

Doyen-Uranio
Battery Group.

Turning
European
industry on.

batteries
prestolite®

Doyen Battery SA-NV
Rue Paepsemstr. 121
B - 1070 Brussels
Belgium
Tel + 32 2 526 26 51
Fax + 32 2 526 26 00

URANIO

Fabbrica Accumulatori Uranio S.p.A.
Viale del Lavoro 20
I - 37040 Veronella (VR)
Italy
Tel + 39 442 489 208
Fax + 39 442 489 227

هكذا في الأصل

In Telford, [illegible] getting people to work [illegible]

For full details, phone: 01952 293262

Telford.

FINANCIAL TIMES
COMPANIES & MARKETS
© THE FINANCIAL TIMES LIMITED 1997
Thursday April 17 1997
Week 16

BOWENS INTERNATIONAL
A WORLD LEADER IN PHOTOGRAPHIC LIGHTING

WOLSELEY plc
The name behind the names.

IN BRIEF

Compaq earnings increase by 66%

Compaq Computer, the world's largest personal computer manufacturer, reported a 66 per cent surge in first-quarter earnings and forecast continued growth throughout the year. Page 20

Brewer urges UK merger reform
The chief executive of brewing company Carlsberg-Tetley called for an overhaul of the UK's competition regime following frustration that the authorities have yet to deliver a verdict on his company's planned takeover by a rival. Page 22

Telefónica warned on Concert venture
Telefónica's partners in the Unisource alliance of European telecom companies warned of possible litigation if it joins forces with Concert, the venture between British Telecommunications and MCI of the US. Page 16

Bodycote delivers strong figures
Bodycote International, the UK engineering group whose shares have soared by 60 per cent over the past year, delighted the City again with another strong set of annual figures. Page 22

Time Warner heading for record year
Time Warner is headed for a record-setting year after slashing its first-quarter net loss to 8 cents a share compared with 39 cents last time. The results far outstripped analysts' projections of a deficit of up to 31 cents a share. Page 20

Yamaichi Securities bails out units
Yamaichi Securities, the smallest of Japan's big four stockbrokers, announced it would orchestrate a rescue for two small stockbroking affiliates which were pushed to the brink of collapse by trading losses. Page 18

Smart car to be unveiled
Mercedes-Benz and Switzerland's SMH watches group, partners in Micro Compact Car, will today unveil their two-seater car which they say will revolutionise urban transport. Page 16

Output rises at Debswana Botswana
Debswana Botswana, the world's biggest uncut diamond producer in value terms, last year lifted its output by 4.5 per cent from 16.8m carats to 17.7m carats and expects a further rise this year to about 18.5m carats. Page 28

Companies in this issue

ABB	6	Matsushita	5, 6
AMC	3	Mercedes-Benz	16
AST Research	18	Morgan Grenfell	1
Ahmsa	20	Mowlem (John)	22
Air	5	NCR	20
Alcatel Alsthom	16	Nippon Credit Bank	15
Alpine	22	Ogawa Securities	18
Assa Abloy	16	Olivetti	16
Astra	16	Paribas	16
Bakun Hydroelectric	6	Pechiney	16
BankAmerica	20	Pharmacia & Upjohn	20, 15
Bass	22	Philip Morris	20, 1
Bear Stearns	20	RJR	1
Biocompatibles	22	Ralston Purina	5
Bodycote	22	Reed Intl	22
Boeing	22	Renault	16
CFF	16	Reuters	22
CalEnergy	22	Rhône Poulenc	9
Carlsberg-Tetley	22	SMH	16
Cobham	22	Samsung Electronics	18
Colgate Palmolive	20	Sandrews	3
Compaq	20	Sanyo	5
CompuServe	2	Schibsted	3
Daichu Securities	18	Sony	5
Daimler-Benz	15	Ssangyong Motor	18
Dow Jones	20	State Bank of India	18
Duracell	5	Telefónica	16
Elf Aquitaine	9	Thomson Multimedia	16
Ford Motor	15	Time Warner	20
Générale Des Eaux	16, 9	Toshiba	5
H & R Block	9	Total	16
Harcourt General	15	UAP	16
Hepworth	22	Ultramar Diamond	16
IBM	5	United Airlines	16
JJB Sports	22	Vardinoyannis	3
Jiangling Motors	18	Village Roadshow	3
Johnson & Johnson	22	Virgin	3
Liffe	14	Vitro	20
Lufthansa	16	Warner Bros	3
Lyonnaise des Eaux	5	Yamaichi Securities	18

Market Statistics

http://www.FT.com

♣Annual reports service	32-33	FTSE Actuaries share indices	34
Benchmark Govt bonds	28	Foreign exchange	27
Bond futures and options	26	Gilts prices	26
Bond prices and yields	26	London share service	32-33
Commodities prices	28	Managed funds service	29-31
Dividends announced, UK	22	Money markets	27
EMS currency rates	27	New intl bond issues	26
Eurobond prices	26	Bourses	36-37
Fixed interest indices	26	Recent issues, UK	34
FT/S&P-A World Indices	38	Short-term int rates	27
FT Gold Mines Index	34	US interest rates	26
FT/ISMA intl bond svc	26	World Stock Markets	35

Chief price changes yesterday

FRANKFURT (DM)

Rises		
Degussa	774.50	+ 33.50
Porsche	2150	+ 120
Schering	167.80	+ 3.90
Victoria Hldgs	1540	+ 35
Falls		
Holzmann	477	- 8
Varta	270	- 5

NEW YORK ($)

Rises		
Coleman Co	15¾	+ 1⅛
Natl Education	19¼	+ 4¼
Tandem Corp	13⅛	+ 1½
Whitehall	17⅞	+ 1½
Falls		
AM Pad & Paper	14⅞	- 1½
Cadence Design	28¼	- 3⅜

LONDON (Pence)

Rises		
Cortecs	280	+ 43
Loot	42½	+ 4
Optometrics	28½	+ 4
Turnpyke	18	+ 2¼
Falls		
Blockleys	38	- 4½
Silvermines	77	- 5½

TORONTO (C$)

Rises		
Crystallex	4.01	+ 0.61
Rayrock Yellow	4.35	+ 0.50
Westminster RSC	5.85	+ 0.60
Falls		
Hawker Sidd	4.05	- 0.55
McGraw-Hill	12.50	- 1.50
Monarch Res	1.35	- 0.55

PARIS (FFr)

Rises		
BIC	868	+ 22
Carrefour	3609	+ 59
Pechiney A	217.50	+ 10.70
Falls		
Air Liquide	883	- 16
CLF-Dexia	584	- 12
Taittinger	2050	- 98

TOKYO (Yen)

Rises		
Chiyoda Cp	407	+ 31
Fanuc	4290	+ 120
Nomura Sec	1190	+ 70
Toyo Tst	703	+ 70
Falls		
Amada	904	- 16
Yomiuri Land	601	- 19

HONG KONG (HK$)

Rises		
Cheung Kong	66.75	+ 2.25
Henderson Land	65	+ 2.25
HK Telecom	13.65	+ 0.10
Kowloon Motor	15.70	+ 0.10
Falls		
Sime Dar	8.25	- 0.15
Varitronix	9.90	- 0.15

BANGKOK (Baht)

Rises		
Charan Ins	47.50	+ 4.00
Imperial Hotel	25.00	+ 2.25
TPI Polene	53.00	+ 4.50
Falls		
Delta Elec	78.00	- 8.00
Siam Makro	78.00	- 8.50
Thai Stn	48.50	- 4.00

New York & Toronto prices at 12.30.

Ford results beat forecasts

Cost cutting bears fruit with $1.4bn profits

By Haig Simonian, Motor Industry Correspondent

Ford Motor yesterday concluded the first-quarter reporting season of the "Big Three" US carmakers with results well above analysts' expectations.

Net profits more than doubled to $1.47bn from $653m in the first quarter of last year, on the back of a 2.8 per cent rise in turnover to $36.2bn.

Earnings per share soared from $0.53 to $1.20, demonstrating that the company's cost-cutting efforts are bearing fruit.

"We're off to a solid start in 1997," said Mr Alex Trotman, chairman. "The changes we have been making to our automotive operations for the past two years are beginning to pay off."

The improvement, which reflects a turn round in Ford's US automotive operations, is based on a more ruthless approach to eliminating weak or loss-making products, harsh cost reduction and expanding production of successful models.

Mr John Devine, finance director, said the company made $800m of cost savings in the first quarter, achieving most of its $1bn cost-cutting target for 1997. "If you really can't change the revenue side much, it comes back to cost," he said.

Among the steps taken were the termination of five US vehicle ranges, the expansion of capacity for more successful products such as the Expedition sports utility and the F Series pick-up, and the sale of Ford's heavy truck business.

However, almost all the first-quarter improvement came in the US, where profits rose from $48m last year to $836m.

The company's performance in Europe and South America improved but was still below par.

European earnings rose from $73m to $105m, while South American losses fell from $60m to $47m.

Mr Devine said Ford remained on target to break even in Europe this year.

The company blamed strong competition for the difficulties it was continuing to suffer in Europe.

Ford's first-quarter market share fell from 12 per cent to 11.1 per cent, reflecting the rivalry between manufacturers and the company's greater reluctance to win bulk sales through discounted deals.

Total unit sales worldwide in the first quarter climbed from 1.64m units to 1.68m.

Ford's non-automotive profits continued to perform strongly, although earnings at the financial services group declined from a record $511m to $465m.

However, analysts noted a potentially ominous rise in credit loss at Ford Credit, where profits fell from $339m to $276m because of more problem loans.

Ford's automotive cash and marketable securities rose from $12.94bn to $15.97bn, while automotive debt climbed from $7.18bn to $8.2bn.

Troubled Nippon Credit Bank to be inspected

By Gillian Tett in Tokyo

Japan's Ministry of Finance yesterday launched an inspection of Nippon Credit Bank, the troubled long-term credit institution. The decision will result in the first up-to-date external assessment of the group's bad loans.

The inspection comes as Japan's financial authorities increase their efforts to persuade other banks to participate in a recently-announced Y291bn ($2,291.33m) emergency recapitalisation plan at NCB. The group has been plagued with mounting bad loans as a result of its exposure to the property market.

The authorities' handling of the problems at NCB – and the effectiveness of their inspection methods – is likely to provide a significant test case for their broader policy towards financial deregulation, or Big Bang.

Interest has been heightened by an announcement last week that NCB plans a business tie-up and small cross-shareholding agreement with Bankers Trust, the US group, after its recapitalisation – the first such agreement in the Japanese banking sector.

Japanese officials said yesterday the inspection of NCB was routine . It was last inspected in 1993. However, some have suggested that NCB might release the results to other financial institutions, instead of keeping them confidential according to normal Japanese practice.

If the finance ministry backs NCB's estimates of its bad loans – currently calculated at Y1,260bn – this could help win support for the restructuring plan. Conversely, any increase in the bad loan estimate could sap support for the plan. NCB refused to comment.

The NCB inspection is likely to be completed before its next shareholders' meeting in early June when the recapitalisation plan must be approved.

Meanwhile, the Industrial Bank of Japan – scheduled to play the largest role in NCB's rescue – has become the latest institution to admit it had been hit by NCB's problems.

IBJ, the largest long-term credit bank, is due to buy about Y17bn of new NCB shares. It announced yesterday it was cutting its profit forecasts because of bad loans incurred by the recent bankruptcy of NCB's three non-banking affiliates.

Optimistic view: Jürgen Schrempp at the Daimler Benz annual news conference yesterday

Picture: Reuter

Daimler Benz bounces back with 12% increase in sales

By Graham Bowley in Stuttgart

Daimler Benz, the German industrial group, yesterday underscored its recovery from record losses in 1995 when it reported a 12 per cent increase in sales to DM25.9bn ($15bn) in the first quarter compared with the previous year.

The group announced it is to launch a DM1.1bn mandatory convertible bond issue next month, the first by a German company. It had already announced a strong bounce-back in 1996 with net income of DM2.8bn and operating profit of DM2.4bn.

Mr Jürgen Schrempp, chairman, said at the company's annual news conference that he expected the positive trend of the first quarter to continue for the next few months.

"In 1997, the earnings situation of the group will be improved further" compared with 1996, with positive gains expected in all main divisions of the company.

Giving details of the 1996 results for the first time, Mr Schrempp said profits had benefited from the depreciation of the D-Mark against the dollar. There was a sharp turn round in Daimler Benz Aerospace (Dasa), which registered an operating loss of about DM196m after a 7.2bn deficit in 1995.

The company's most successful division in 1996 was again Mercedes-Benz, the truck and luxury car manufacturer, with revenues of DM45.9bn and an operating profit of DM3.1bn.

But Daimler reported continuing difficulties in its European trucks division, which was the main cause of a DM400m operating loss in its commercial vehicles group. Mr Schrempp said the commercial vehicles would record a profit this year.

Debis, Daimler's IT, telecommunications and financial services division, doubled operating profits to DM288m. However, the group's other directly controlled industrial holdings, which include Adtranz, its rails systems joint venture, posted an operating loss of DM585m.

The market welcomed yesterday's developments. Daimler Benz shares, which have outperformed the DAX by 26 per cent over the past 12 months, rose about DM1.15 yesterday to close at DM138.15.

"The story is pointing in the right direction," said one Frankfurt-based analyst. "The important thing is that the company has delivered the goods in 1996. It will continue to benefit in 1997 from improvements in the D-Mark's competitiveness."

Mr Schrempp was speaking for the first time since the end of restructuring which has slimmed Daimler's businesses from 35 to 23 and reintegrated the Mercedes car and truck subsidiary into the parent company. Loss-making business, such as aircraft makers Fokker and Dornier and parts of AEG, the electrical engineering subsidiary, were closed or sold.

Mr Schrempp reaffirmed the company's aim of achieving a 12 per cent return on capital, which he said would be reached "within the next two years". The company estimated return on capital in 1996 between 5 and 6 per cent.

Mr Manfred Gentz, Daimler's chief financial officer, said movements in exchange rates had added about DM400m to operating profits in 1996.

The convertible bonds, which will have a five-year maturity, could be converted into Daimler shares at any time and would convert automatically at maturity, Daimler said. It added that the issue would provide the company with the "financial flexibility to be able to take advantage of growth opportunities".

Lex, Page 14

Troubled P&U rules out sale of non-drugs businesses

By Daniel Green

The troubled US-Swedish healthcare company Pharmacia & Upjohn yesterday ruled out selling any of its businesses to focus more closely on prescription drugs.

The declaration is likely to confound the hopes of many P & U investors, who have seen two profits warnings and the ousting of Mr John Zabriskie, chief executive, in the past six months.

One possible strategy for P & U had been to sell businesses in medical diagnostics, animal health, consumer healthcare, contract manufacturing or biotechnology.

There have been widespread stock market rumours that Pharmacia Biotech, in particular, was to be sold, possibly to UK company Amersham International.

But Mr Jan Ekberg, acting chief executive, said the company's biggest shareholders – the Swedish government and Swedish vehicle maker Volvo – supported keeping the non-drugs businesses.

"We are not trying to sell any of these businesses, we want to build them up," he said. Consumer products and diagnostics were "linked to the core business", but Pharmacia Biotech was an investment holding.

Although Mr Ekberg rejected an outright sale, he hinted at the possibility of reducing the holding. Last year the company floated Biacore International, its medical instruments business, keeping a 41 per cent stake.

Ms Jo Walton, pharmaceuticals analyst at Lehman Brothers, said: "If Glaxo, a company twice P & U's size, says it can only concentrate on six medical areas, how can investors be confident that P & U will be world class with eight, plus all its other businesses?"

P & U was formed in November 1995 by the merger of Michigan-based Upjohn and Pharmacia, which has operations in Sweden and Italy. The company has been dogged by difficulties arising from its diverse cultures.

The search for a new chief executive is in its final stages, said Mr Ekberg.

Ekberg's prescription, Page 20

Harcourt General in $740m bid for US education group

By John Authers in New York

A bidding war broke out yesterday in the growing US market for "distance learning" and computer training as Harcourt General launched a $740m hostile bid for National Education Corporation, the largest US provider of correspondence courses.

Boston-based Harcourt General's offer, equivalent to $19.50 a share, follows last month's agreed offer by Sylvan Learning Systems of Baltimore to buy National Education in a stock deal. This values the company on current share prices at $18.34 a share.

Either deal would be the biggest the sector has seen.

Harcourt said it hoped to use its technology to give its target added potential to offer training online. It added that its financial weight would combine well with National Education's strong brands. These include the second-largest US computer training company, which is growing at about 35 per cent a year, according to analysts.

Harcourt said it had made a "high price" offer. Its bid is 54.5 per cent above National Education's share price five days before the proposed Sylvan deal was announced.

Harcourt's interests range from educational publishing, where it has a strong presence in legal education, to retailing.

Sylvan has a range of educational interests including vocational testing, and 650 tutoring centres for school-age children.

Analysts said the offer had created a "horse race", but were not prepared to predict victory for Harcourt. Mr Michael Moe, an analyst with Montgomery Securities in San Francisco, said: "I don't think this offer wins. If they really want to own NEC they will have to raise the ante."

By midday, National Education had gained $4¼ at $19¼, while Sylvan was up $2¾ at $31⅝. Harcourt shares edged up $¾ to $43.

You are already established in your marketplace. And are ambitious to grow. You can see opportunities. And so can we. But more than this, we can help you capitalise on them. At The Royal Bank of Scotland we have a broad range of financing solutions. From working capital, trade finance and currency hedging to more complex acquisitions or structured financing products. We can help your business achieve its potential. We also make decisions fast. To meet your deadlines. So, no matter what you are trying to achieve call 0800 34 35 36. We can satisfy your hunger.

The Royal Bank of Scotland

The Royal Bank of Scotland plc. Registered Office: 36 St. Andrew Square, Edinburgh EH2 2YB. Registered in Scotland No. 90312. Regulated by IMRO, SFA and Personal Investment Authority.

Telefónica warned over alliance switch

By Tom Burns in Madrid

Telefónica's partners in the Unisource alliance of European telecom companies have warned the Spanish operator of possible litigation if it joins forces with Concert, the venture between British Telecommunications and MCI, of the US.

The Spanish group, meanwhile, has told Unisource, in which it is a partner with the national carriers of The Netherlands, Sweden and Switzerland, that it is dissatisfied with the alliance and studying its "orderly withdrawal".

The Spanish operator alleges it has lost money through its link with Unisource. Last year – the first year that it consolidated its membership of the alliance – the contribution to profits from associated companies slipped 10.8 per cent against 1995.

The fall was blamed by Telefónica on losses of some Pta7bn ($47.9m) incurred on its 25 per cent stake in Unisource. This was offset by a 43.1 per cent rise, to Pta15bn, in the contribution to group profits of Telefónica's Latin American affiliates.

Analysts agreed yesterday that divorce would be "costly and nasty". One said: "It is going to to be painful for Telefónica to pull out".

Telefónica contributed assets, including its data processing unit and $25m in cash, when it took its stake in Unisource last year.

If Telefónica switches to Concert, Unisource would consider a formal complaint to the European Union, alleging the BT-MCI venture had gained a dominant and anti-competitive position. However, analysts believe that would be a hard position to sustain.

Telefónica is expected to announce an international strategic partner within the next few days, and its decision will have a profound effect on global alignments in the sector.

A senior member of the Madrid government said privately yesterday the government would not stand in the way of a Telefónica/Concert link-up. Following the operator's full privatisation in February, the government retained a "golden share" in Telefónica which enables it to block important strategic moves.

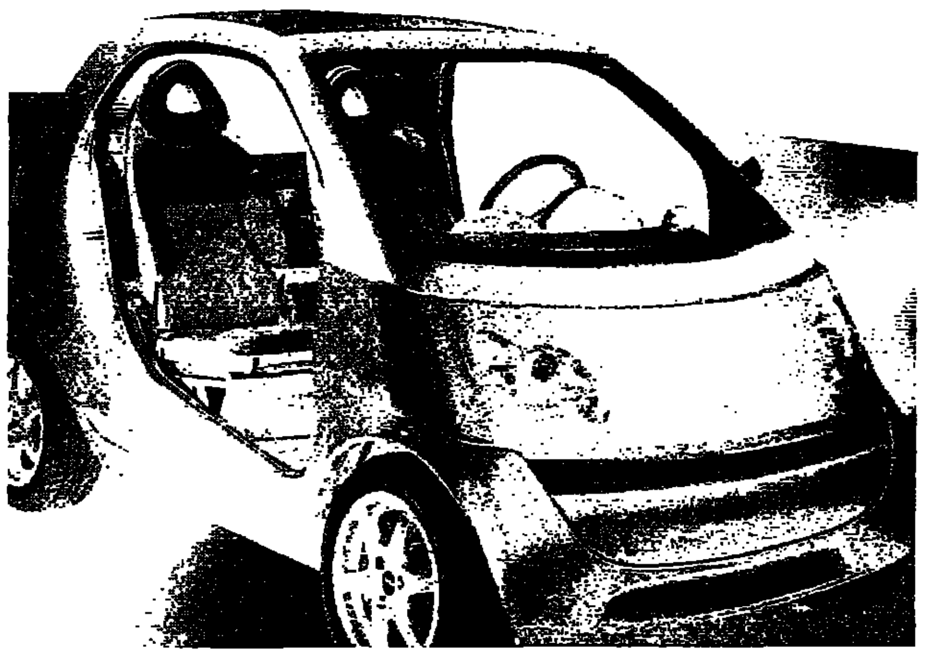
Telefónica has narrowed its choice of a partner for its affiliates in Latin America to MCI and to AT&T, the larger US company which has already chosen Unisource as the vehicle for its European expansion.

The Spanish group moved closer to MCI yesterday when it reached a share-swap agreement with Portugal Telecom, the day after the Portuguese operator signed its own strategic alliance with Concert.

Unisource says a Telefónica agreement with MCI is incompatible with the Spanish operator's continued membership of the alliance, because of Unisource's AT&T links.

Smart image under wraps

By Haig Simonian, Motor Industry Correspondent



Surprise package: MCC has filled its diminutive two-seater with urban-centred innovations

A Munich hall better known for hosting the Eurovision song contest than for automotive extravaganzas will today serenade Germany's most ambitious – and risky – new car.

Mercedes-Benz and Switzerland's SMH watches group, partners in Micro Compact Car, will unveil the diminutive two-seater which they claim will revolutionise urban transport.

However, official pictures of the vehicle, called the Smart, will not be released until next month, explaining the security expected at today's press conference.

MCC and its main suppliers have invested more than DM2bn ($1.15bn) in the Smart, to be built at a new factory at Hambach in eastern France. Prices will start at about DM15,000 when sales begin next year.

Although only 2.5 metres long, the two-seater Smart is brimming with new ideas. Owners, expected predominantly to be young urban dwellers, can change its colour scheme by swapping its plastic exterior body panels. Power will come from a hyper-frugal three-cylinder petrol engine, to be followed by an even more economical diesel and eventually a battery alternative.

Such low-emission engines underpin MCC's ambition to establish the Smart as a serious urban vehicle at a time when more and more European cities are restricting conventional cars on environmental grounds.

MCC, 51 per cent owned by Mercedes-Benz, is expected today to announce virtual completion of its network of 100 core dealers in Europe's main conurbations.

Mr Jürgen Hubbert, head of Mercedes-Benz's passenger car division, may also outline the innovative marketing techniques aimed at convincing prospective buyers that the Smart is worth as much as a conventional hatchback, despite being only two-thirds the size.

Among the potential marketing ploys is a special leasing package to allow buyers to swap their vehicles for Mercedes-Benz models when they need extra space or performance. MCC is also in talks with rental companies to establish special Smart counters at big airports and railway stations.

Finance and production processes for the venture, which has been backed by French government subsidies in an area of high unemployment, have been similarly innovative.

The funding has been shared between MCC and a handful of suppliers, called "system partners", responsible for logistics and the main sub-assemblies.

The car will be built – mostly in modules – by the main suppliers at the Hambach plant, then transferred to an MCC-controlled area at the centre of the factory for final assembly.

Output of the Smart, which takes about five hours to build, should reach 100,000 in the first full year, and 200,000 units a year at full tilt, with the possibility of further production abroad.

Total backs $811m US refinery deal

By Christopher Parkes in Los Angeles and Robert Corzine in London

Total, the French oil group, yesterday formally backed the plan by Ultramar Diamond of the US to acquire its 55 per cent stake in its North American downstream assets for $811m.

Total said it would own 8 per cent of the entity that will emerge from the deal, which marks another step towards Ultramar Diamond's goal of joining the leaders of the new-look US oil refining and petrol retailing market.

The deal, announced late on Tuesday, will also help Total to avoid a possible confrontation with the US government over the French group's involvement in oil and gas developments in countries such as Iran, which are subject to unilateral US sanctions.

Total has consistently denied that the US would have any legal grounds to act against it. But there has been recent speculation that Total was keen to lower its US profile, with senior executives publicly noting that the US operations were small and not particularly profitable.

For Ultramar Diamond, the addition of Total's three refineries will boost the combined group's capacity from 400,000 barrels a day to 650,000 b/d, and add 710 wholly-owned and branded retail outlets to bring the group total to almost 6,400.

The link was expected to increase cash flow 50 cents a share next year, with earnings per share about 15 cents higher, said Mr Roger Hemminghaus, Ultramar chief executive.

Rationalisation, probably including redundancies in centralised functions such as information technology and marketing, was expected to yield annual savings of $50m.

The company, which joined the US oil industry restructuring fray last year with the merger of Ultramar and Diamond Shamrock, said recently it wanted to be among the US top three for shareholder return, and increase earnings about 15 per cent a year.

While the Total negotiations were near completion, Mr Hemminghaus said he was especially interested in expanding in the north-east, south-west and Mexico, where it had a handful of convenience stores but no branded petrol stations.

With its latest acquisition, Ultramar is expected to be about half the size – in terms of capacity and retail outlets – of Tosco, the industry leader.

As international oil majors have focused on oil exploration and production, pulling out of or merging their refining and marketing operations in joint ventures, US refiner-retailers have been busy building critical mass the better to compete in the over-crowded market.

The most prized acquisition targets are companies with round the clock convenience store chains. Total's retail properties include 560 of these stores, and have successfully developed profits sources such as fast food.

EUROPEAN NEWS DIGEST

CFF 'can operate alone until 1999'

Crédit Foncier de France, the troubled property lender, can survive until the end of next year without refinancing from new investors, its chairman said yesterday. Mr Jérôme Meyssonnier, the government-appointed "governor", said the bank last November had cancelled a FFr20bn ($3.43bn) emergency line of credit provided by the state-controlled Caisse des Dépôts. He said the bank had sufficient liquidity to continue operating with its own resources until the end of 1998.

News of the breathing space comes as the bank, which was taken over by the French state last year after reporting losses of FFr10.8bn in 1995, works on a restructuring plan with the government and its newly-appointed investment banking adviser, Deutsche Morgan Grenfell. Mr Meyssonnier said an eventual refinancing could take several forms, including through a capital injection by a single outside investor or by a range of different shareholders. He said the bank would require FFr2.5bn-FFr3bn from an outside partner – above previous estimates of up to FFr2.5bn – with additional resources coming from the sale of assets, in order to build up "hard" shareholders' funds of FFr4.5bn.

Andrew Jack, Paris

Airlines plan global alliance

United Airlines, of the US, and Lufthansa, of Germany, will next month announce the setting up of a worldwide six-airline alliance which will operate as a single carrier. The alliance will include United, Lufthansa, Scandinavian Airlines System, Air Canada and Thai Airways. Varig of Brazil will join the alliance later. The six already have bilateral agreements but are now ready to set up a multilateral alliance.

The new alliance, which will be announced in Frankfurt on May 14, presents a strong challenge to British Airways and American Airlines, which are still awaiting US and European Commission approval for their own link-up. The United-Lufthansa arrangement would allow the airlines to offer passengers connections to a wide range of international destinations.

Michael Skapinker, Aerospace Correspondent

Assa Abloy deal lifts shares

Shares in Assa Abloy of Sweden, one of the world's leading lock groups, jumped 13 per cent yesterday after it announced plans to acquire Vachette, France's biggest locks company, for FF1.1bn ($189m). Assa said the deal would raise its pro forma sales to SKr7bn ($908m), but earnings would not feel the benefit until 1998. Vachette, which is owned by Poliet, the French building materials group acquired last year by Saint-Gobain, has projected turnover of FFr1.1bn this year. *Greg McIvor, Stockholm*

Olivetti board urged to quit

Assorisparmio, the Italian small savers' association, and the Olivetti small shareholders' committee yesterday called for the resignation of the Olivetti board and the appointment of a new one at the information technology group's forthcoming annual meeting. Olivetti shares suffered a heavy fall on the Milan bourse yesterday after reporting on Tuesday a L915bn ($537m) consolidated net loss for 1996 and significant writedowns. *Paul Betts, Milan*

Losec sales growth slows

Astra, the Swedish pharmaceuticals group, said yesterday that first-quarter sales of Losec, the world's biggest-selling prescription drug, grew 24 per cent in the important US market, from $415m to $515m. Revenues from the anti-ulcer agent grew 40 per cent in 1996 in the US, where it is sold through a joint venture with Merck, the US group. Astra attributed the slower sales to an exceptionally strong first three months last year and said underlying growth, reflecting total prescriptions, was more than 30 per cent. Yesterday's sales figures were in line with analysts' expectations, but Astra's most-traded A shares slipped SKr2 to SKr350. *Greg McIvor*

Latvia: Your Gateway to Northern Europe

Join some of the world's leading companies in Latvia, at the hub of Northern Europe's rapidly growing markets and with easy access to the region's population of 75 million people.

Companies like Cable & Wireless, Shell, ABB, Kellogg, Statoil, Neste, SAS, Coca Cola, Société Générale and Dresdener Bank.

Latvia

the strategic hub and gateway to Russia, and CIS countries

all major ports have Free Economic Zone status and year round accessibility

Ventspils is The Baltic's largest port and home to the region's biggest oil products terminal

Latvia

offers economic and political stability, enjoys a liberal foreign exchange regime and recorded 3.4% GDP growth rate in 1996

benefits from balanced budget and stable, convertible currency and one of the top investment grades in Central and Eastern Europe

long-term foreign currency debt rated BBB by Standard & Poor's

Latvia

has a highly skilled, highly educated, low cost workforce

offers world-class computer and software expertise at around one-tenth of average US rates

Latvia

boasts a highly developed transport infrastructure with established air, road, rail and sea links

offers world-class telecommunications networks and facilities

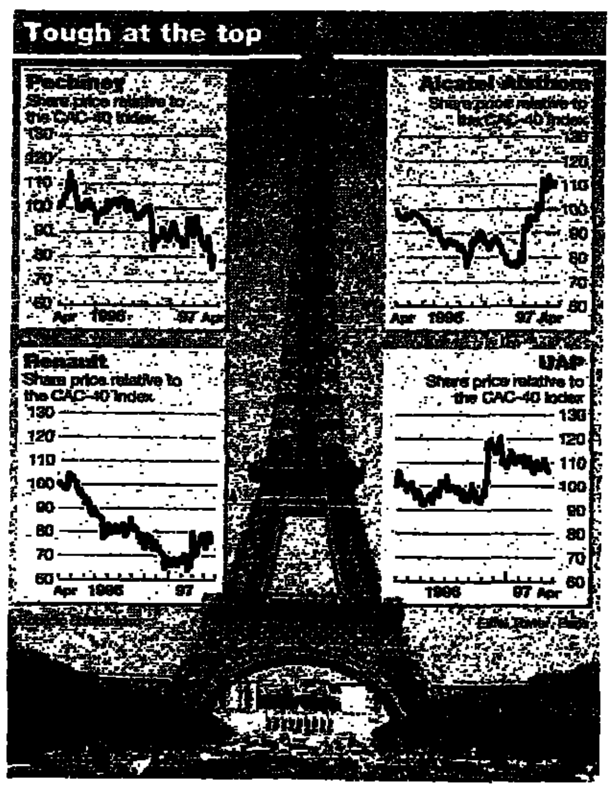
Latvia

Latvia is the best base for your business in the emerging markets of Northern Europe. For more information call us at the Latvian Development Agency.
Telephone: +371 728 3425/7534 Facsimile: +371 782 0458/728 2524
E-mail: invest@lda. gov.lv Internet: http://www.lda.gov.lv
Latvian Development Agency UK Representative Office:
Telephone: 0171 355 5037 Facsimile: 0171 355 5038

LAA
LATVIJAS ATTĪSTĪBAS AĢENTŪRA
LATVIAN DEVELOPMENT AGENCY

French gloom starts to lift

Change in corporate culture may herald an upturn in earnings



Tough at the top

In 1995, it was Générale des Eaux, the utilities company, Alcatel Alsthom, the telecoms and engineering group, and Paribas, the financial holding company, that left the French reporting season awash with red ink.

This time it was the turn of Pechiney, the aluminium and packaging company; Thomson Multimedia, the state-owned electronics group; UAP, the insurer; and Renault, the carmaker.

A string of hefty provisions has forced many analysts to downgrade their forecasts for corporate France's year-on-year earnings per share growth for what one said was the seventh year in a row.

The experience may have left some despairing that the French corporate sector will ever live up to their expectations. And the unflattering headlines may have led prospective investors to conclude that they should continue to give the country a wide berth.

However, it would be wrong to deduce from the difficulties of a handful of big names that the overall picture is entirely gloomy.

With only a handful of companies left to report, including carmaker Peugeot-Citroën today, analysts were recently forecasting that earnings per share generated by French companies in 1996 would turn out to have exceeded 1995 totals by between 180 and 340 per cent – depending on how broad a range of companies was included in the calculations. But according to Mr Richard Taylor, European equity strategist with NatWest Markets: "The bounce back is not quite as dramatic as people forecast".

At the operating level, most analysts expect the year-on-year improvement to work out at less than 10 per cent. But they argue this is not surprising for a period when overall French economic growth was subdued. They say the amount of cash being thrown off by French companies is, in any case, high by historical standards. "If you look at cash flow generation or balance-sheet quality, the level of corporate health in France is at around its best for 10 years," says Mr Richard Davidson, European equity strategist at Morgan Stanley.

The stream of provisions, meanwhile, is widely interpreted as evidence that top French managers – perhaps encouraged by the growing numbers of Anglo-Saxon institutional investors on their shareholder rosters – are increasingly prepared to face up to past mistakes and restructure to improve long-term competitiveness. "Corporate France is in the process of adapting itself," says Mr Pierre-Yves Gauthier, director of French research at Cholet-Dupont. "Why? The market has imposed itself."

One further encouraging sign is that the big loss-makers of 1995 were, for the most part, back in profit last year. Alcatel Alsthom, whose FFr25.6bn ($4.39bn) loss in that year was the largest in France's corporate history, posted net profits for 1996 of FFr2.7bn – much to the delight of investors, who immediately pushed the shares up by nearly 9 per cent. Paribas recovered from losses of FFr4bn in 1995 to report net income of FFr4.35bn for last year. Générale des Eaux unveiled net profits of FFr1.95bn for 1996 after losses of FFr3.7bn the previous year.

It is hard to say whether 1997 will be the year when the French reporting season finally starts to live up to analysts' expectations.

On the negative side, evidence of a sustained pick-up in economic activity is still far from convincing, and the country's 12.8 per cent unemployment rate – a post-war high – may lead to increasing pressure being brought to bear on companies to maintain employment levels. Mr Taylor says: "A government asking employers to take on workers just because it helps the economy is never going to go down well in Anglo-Saxon eyes."

On the other hand, growth is still forecast to rise from 1.3 per cent in 1996 to 2.3 per cent or more, and the fall in the value of the franc should help companies' international competitiveness.

Some analysts also derive comfort from last year's effective takeover of UAP by Axa, a rival insurance group. They expect this to be the precursor to the unwinding of a number of *noyaux durs*, or stable shareholder groups. These are sometimes perceived in Anglo-Saxon eyes as a means of protecting underperforming management.

Finally, there is a growing feeling that the worst of the property write-downs, which have been the principal cause of some of the largest one-off charges in recent years, may be over. France Telecom, for example, included in its 1996 results a FFr26.8bn non-recurring loss, net of tax, for the depreciation of fixed assets, including property, as part of its *grande lessive*, or big bath provisions, ahead of partial privatisation later this year.

According to Mr Davidson: "Property has been the key problem and there is light at the end of the tunnel on that front. We are seeing the first tentative signs of recovery in French property. It is probably not a bad time to be exposed to that."

David Owen

CHASE

Together with our clients we've defined one of the most important words in any language.

relationship (n) **1.** the commitment to working together, taking a partnership approach to each and every endeavor. **2.** the ability to deliver globally a wide range of products and services for our clients' financing, investing and hedging needs. **3.** the ability to combine and customize those capabilities to suit our clients' unique requirements in a 'one-stop' environment. **4.** the mutual respect, dealings and trust that exists between two people, businesses or countries as a result of a commitment to the highest possible standards. *(see the following pages)*

©1997 The Chase Manhattan Corporation.

Revenue squeezed at Jiangling

By James Harding in Shanghai

China's fiercely competitive automotive market squeezed sales last year at Jiangling Motors, one of China's leading light truck manufacturers and Ford Motor's partner in the country.

Nevertheless, the company announced a surge in net profits for 1996 from Yn3.95m a year earlier to Yn34.62m ($4.17m), which it achieved thanks to falling costs and an exceptional foreign exchange gain.

The annual results showed a Yn73.7m exceptional item, the result of foreign exchange gains from the repayment of a Japanese yen loan.

The company said the fall in sales prices in China's oversupplied market explained the decline in turnover, from Yn1.97bn to Yn1.69bn, for the year ended December 31. It said it had been aiming at sales revenue of Yn2.44bn.

Production fell below the company's output objective of 26,500 units, as the factory in Jiangxi province, south central China, produced a total of 15,472 units last year.

Jiangling said the steep rise in net profits could be explained largely by improved margins. "Profit margins widened as Jiangling used more China-made car parts, which are cheaper," it said. The domestic content of Jiangling trucks rose from 60 per cent the previous year to 80 per cent in 1996.

However, analysts in Shanghai said the results left a number of questions unanswered. Mr John Crossman, head of Jardine Fleming in Shanghai, said: "We are confused but we are not enthusiastic. What we are seeing from these numbers – not the headline numbers, but when you look into the small print – does not bode terribly well."

Foreign investors in China would be looking for further information about the Japanese yen loan repayments and the circumstances surrounding the rising accounts receivable, he added.

Another analyst with a foreign broker was not surprised by the scale of the exceptional gain, arguing that "many carmakers are seen as yen plays, because they carry so much yen-denominated debt."

Ford Motor recently announced plans to enlarge its shareholding in Jiangling Motors, with which it plans to launch its first vehicle made in China later this year.

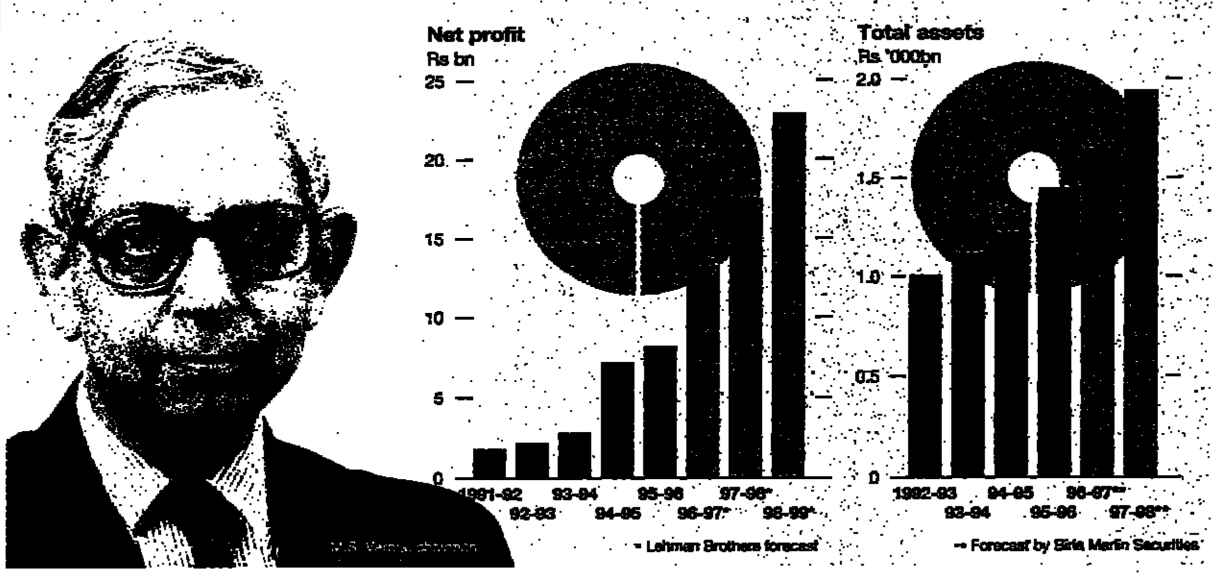
The US group was upbeat about Jiangling's results. "It was a tough market last year and Jiangling Motors came out with their heads above water," Ford said.

Jiangling did not recommend payment of any dividend for 1996.

SBI eases into higher gear

India's largest bank plans to maximise benefits of restructuring

SBI's virtuous circles



India's public sector banks have had to change fast since economic liberalisation in the country in the early 1990s.

With a phased deregulation of the market and the entry of new foreign and private sector rivals, the often notoriously musty practices of the public sector banks have been exposed to increasing competition.

Few have managed the transition better than the biggest of them all, the State Bank of India.

SBI, the country's oldest and largest commercial bank and the biggest in the world in terms of number of staff and branches, is reaping the benefits of a wide-ranging restructuring started in 1994.

The flagship of Indian banking is still in a strong run of earnings growth which has made it the undisputed leading stock on the subcontinent and an Indian portfolio staple.

Mr Sandeep Dixit, analyst with Lehman Brothers in Bombay, says net profits for the bank are expected to grow from a base of Rs2.7bn in 1993-94 to Rs22.85bn ($650m) in 1998-99.

Preparing to oversee this growth in the next few years is SBI's newly appointed chairman, Mr M.S. Verma, who is expected to take a more aggressive stance on the bank's operations than the traditionally bureaucratic public sector bank executive. "I have never been one to take things slowly," Mr Verma says. He sees his job as picking up the pace of growth as the restructuring continues to ripple through the bank's operations.

The restructuring, which was implemented after a review by McKinsey, saw SBI split into a four-pillar structure focused on corporate banking, national banking for retail and small to mid-sized companies, international operations, and associated services such as the bank's investment banking operations.

The aim was to streamline operations, decentralise decision-making, improve customer service and boost profitability.

"The vehicle [SBI] is now moving in the right direction. I just have to put my foot on the accelerator," Mr Verma says. "Our aim is to become a world-class bank in all respects, to lift profitability and makes ourselves fully-equipped to take on competition."

In the Indian banking market, SBI is already a formidable competitor. Although relatively small compared with its Asian peers, it has a dominant presence on the subcontinent.

SBI, with its seven subsidiary banks, has more than 13,000 branches and covers every corner of India. Its share of loans and deposits is more than 20 per cent. The bank also claims to have more than 87 per cent of large companies as its clients.

Mr Rajesh Sundaresan, analyst with brokers BZW, says that, since restructuring, SBI has become more commercial in exploiting the competitive strengths of the size and spread of its operations.

He says the bank is starting to "leverage" more on its relationships with large corporations to gain more business in such fee-based services as foreign exchange services.

Mr Sundaresan says the new chairman, who has been closely linked to the bank's restructuring, should add further momentum to this shift. "He is seen as decisive and focused."

Mr Verma says the bank aims to increase the proportion of fee income to total income to about 25 per cent at the turn of the century from its current level of about 14 per cent.

He has also signalled an increase in the bank's exposure to project finance, with infrastructure development expected to rise strongly over the next five years.

Mr Verma says SBI intends to increase total loans from about Rs600bn to about Rs800bn by 2001. By that time, the bank's project finance portfolio is expected to be about Rs300bn.

Another potential area of future business is financing takeovers and acquisitions, according to Mr Verma. In most countries, this would be uncontroversial, but in India such a concept is near revolutionary.

Public banks traditionally have been very averse to funding takeovers, often taking a passive attitude in uncritically supporting company managements. Mr Verma says, however, that "where there is an opportunity, the bank will pursue it".

Earnings are also expected to benefit from a continued reduction in provisions for non-performing assets as its balance sheet is progressively cleaned up.

Non-performing assets, net of provisions, have fallen from more than 20 per cent of all loans in 1993-93 to about 5 per cent in 1996-97, Mr Verma says.

Challenges still lie ahead, however. As well as their sectoral concerns about increasing competition, many analysts question the extent of political interference in the bank, with the government retaining a majority stake. However, few would argue the outlook for the bank is anything but bright.

Tony Tassell

S Korean carmaker moves to cut debt

By John Burton in Seoul

Ssangyong Motor, South Korea's fourth largest carmaker, yesterday said it planned to sell its research centre in Seoul and other property assets to reduce its debts of Won3,200bn ($3.57bn).

It is the first time Ssangyong has disclosed details of disposals after it announced last month that it would sell some assets, while offering 49 per cent of the company to foreign investors. The sale of the research institute and a wheel disc plant near Seoul would raise $450m-$500m to meet short-term financial requirements.

Ssangyong is among several highly-leveraged Korean conglomerates that are selling assets to service debts as the economy slows.

Analysts said Ssangyong had Won3,700bn of debts at the end of 1996, after investing heavily to develop new vehicles and expand production facilities, paying more than Won300bn in interest annually. Ssangyong said it cut this amount by Won500bn by issuing new shares and cutting administration costs.

The troubled carmaker has posted total losses of Won504bn since 1992, including a net loss of Won228.5bn in 1996.

Ssangyong, which makes four-wheel-drive vehicles, plans to introduce a luxury car model later this year in co-operation with Mercedes-Benz.

The Korean group is negotiating with General Motors over a strategic alliance in which the US car company would inject cash in return for using Ssangyong's sales network. It has also held discussions with several south-east Asian conglomerates about investing in Ssangyong.

Korea's four main carmakers have recently suffered due to a saturated domestic market and slowdown in exports caused by a weak yen, which has made Japanese cars more price competitive overseas.

Samsung to buy last 51% of AST

By John Burton

Samsung Electronics plans to buy the remaining 51 per cent of AST Research for $477m in cash and assumed debt to gain full ownership of the loss-making US personal computer maker.

Samsung, which acquired 49 per cent of AST for $468m in 1995, said complete control would allow it to improve AST's finances by combining PC manufacturing with digital television technologies.

Samsung originally took an AST stake to bolster its PC operations by expanding US distribution, while securing a stable customer for Samsung's supply of memory chips, terminals and other computer components.

But continued losses at AST, caused by delays in developing new PC models and management conflicts, forced Samsung to inject more capital into the venture as AST lost market share in the US and Asia.

The takeover of AST was arranged by Mr Kim Kwang-ho, chairman of Samsung's US operations, who was criticised by some analysts for the initial Samsung investment in AST when he was head of Samsung Electronics.

But Mr Kim was confident that Samsung's financial support, combined with AST Research's skilled personnel, would enable the company to make a recovery.

Yamaichi bails out units

By William Dawkins in Tokyo

Yamaichi Securities, the smallest of Japan's big four stockbrokers, yesterday announced it would orchestrate a rescue for two small stockbroking affiliates which were pushed to the brink of collapse by trading losses.

The affiliates, Daichu Securities and Ogawa Securities, both based in Osaka, are expected to raise Y1bn ($8m) – roughly half each – through issuing shares to other companies in the Yamaichi group, Yamaichi said.

Mr Tsugio Yukihara, chairman of Yamaichi and of the Japan Securities Dealers Association, said the group had to consider assistance for its member companies.

The cash is to cover losses made through trading on margin, where a trader can buy shares by putting up a small proportion of the purchase price, thereby exposing itself to disproportionately large risks and rewards.

Losses at Daichu and Ogawa grew so large in relation to their capital when the Japanese stock markets collapsed at the start of this year that the finance ministry ordered an inspection at the end of February.

The two were asked to submit restructuring plans by next Monday. Failing this, the ministry was expected to suspend their trading licenses for failing to observe domestic capital adequacy rules. Ogawa is capitalised at Y920m and Daichu at Y540m.

The bail-out is too small to affect the financial health of Yamaichi, which reported a net profit of Y5bn, on operating revenues of Y110.9bn in the six months to last September.

However, the rescue shows that one of Japan's leading stockbrokers is still prepared to assure the survival of troubled affiliates at a time when its own profitability is under pressure, rather than let them go out of business.

Standard & Poor's, the US credit rating agency, yesterday placed Yamaichi's long-term debt on Creditwatch with negative implications, citing the group's weakening financial performance and the growing competition expected in the securities industry from the government's plans for financial deregulation.

Japanese analysts expect Yamaichi to report a Y118bn net unconsolidated loss in the year ending last month, after a Y15.9bn profit in the previous 12 months.

This announcement appears as a matter of record only

THE HUNGARIAN PRIVATISATION
AND STATE HOLDING COMPANY (ÁPV Rt.)
AND
MAGYAR VILLAMOS MŰVEK (MVM Rt.)

have sold ordinary shares representing a substantial majority in:

Tisza Power Plant Limited
to
AES Summit Generation Limited

Budapest Power Plant Limited
to
Imatran Voima Oy / Tomen Corporation

These transactions represent the ninth and tenth successful privatisations of companies within the Hungarian electricity industry

Total proceeds to date approximately US$ 1.5 billion

The undersigned acted as exclusive financial adviser to the vendors

J. Henry Schroder & Co. Limited

Schroders
April 1997

This announcement appears as a matter of record only.
March 1997

КОМПАНИЯ СлавНефть
JSC Slavneft Oil and Gas Company

U.S. $50,000,000
Export Financing Facility

to finance the sale of Russian Export Blend Crude Oil

The Chase Manhattan Bank
Creditanstalt-Bankverein, London Branch
Union Bank of Switzerland

Agent
The Chase Manhattan Bank

CHASE
CREDITANSTALT
Union Bank of Switzerland

FIDELITY GLOBAL SELECTION FUND
Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. No B 27223

NOTICE OF ADJOURNED EXTRAORDINARY GENERAL MEETING

As the Extraordinary General Meeting of March 28, 1997 did not reach the quorum of 50 % required by law, notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Global Selection Fund Sicav ("the Company") will be held at the registered office of the Company in Luxembourg on May 2, 1997 at 09.30 a.m., or on any adjourned date, to consider the following agenda:

1. To resolve to liquidate Fidelity Global Selection Fund.
2. To appoint Fidelity Investments Luxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the liquidation procedure.
3. To fix the date of the second Shareholders' Meeting to hear the Report of the Liquidator and to appoint Coopers & Lybrand as the Auditors of the Company.
4. To fix the date of the third Meeting of Shareholders to hear the Report of the Auditor and to decide the close of the Liquidation of the Company.

No quorum of shares present or represented at the Meeting is required in order to deliberate validly on the agenda. A decision in favour of the Resolution no. 1 of the agenda must be approved by Shareholders holding at least 2/3 of the shares represented at the Meeting.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

Dated: January 27, 1997
By Order of the Board of Directors

Fidelity Investments™

The Financial Times plans to publish a Survey on

North Rhine Westphalia

on Monday, June 9

For further information, please contact: Kirsty Saunders in London on Tel: +44 171 873 4823 Fax: +44 171 873 3204
Neville Woodcock in Frankfurt on Tel: +49 69 15685 120 Fax: +49 69 596 4478 or
Maria Geist in Frankfurt on Tel: +49 69 15685 122 Fax: +49 69 596 4478
or your usual Financial Times representative

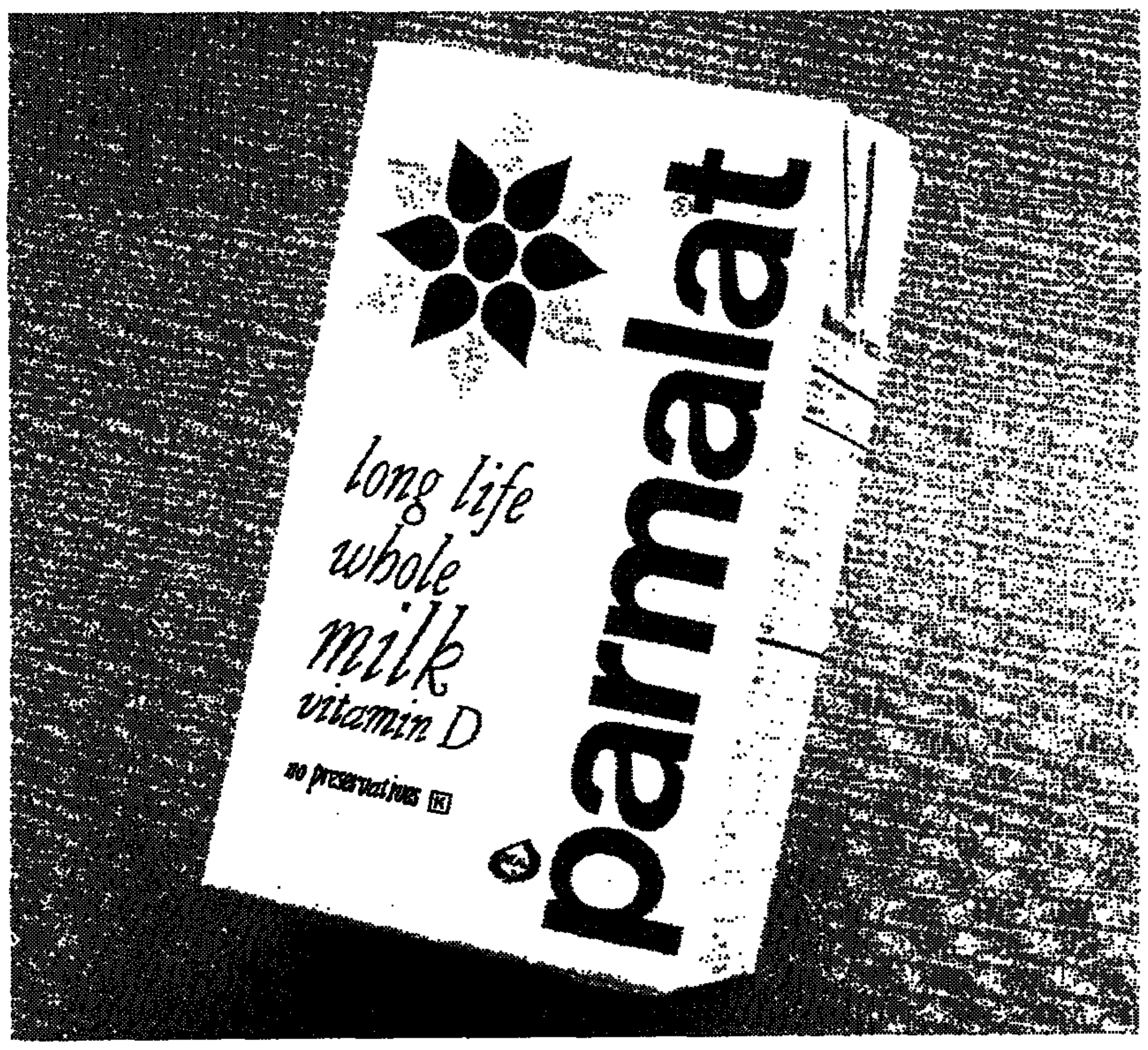
FT Surveys

CHASE

When Parmalat made the decision to tap the Eurolira market

Chase sealed it.

Parmalat called on Chase's expertise in international capital markets to structure and execute the first Italian corporate issue in the Eurolira bond market in over a decade. Chase arranged the 500 billion lira issue, which was increased in size more than three times over to meet investor demand across Europe.



"The Chase team in Milan has worked with us for several years. As we expand globally, Chase combines in-depth knowledge of our business, global presence and access to an unparalleled network of investors to structure and execute transactions for Parmalat worldwide."

Calisto Tanzi
Chairman, Parmalat SpA

CHASE. The right relationship is everything.℠

©1997 The Chase Manhattan Corporation. Issued and approved by Chase Manhattan International Limited – Regulated by SFA. The products and services mentioned herein are not available to private customers in the U.K.

World's largest PC group posts solid sales in Europe and sees continued strong growth

Compaq Computer earnings surge 66%

By Louise Kehoe in San Francisco

Compaq Computer, the world's largest personal computer manufacturer, reported a 66 per cent surge in first-quarter earnings, and forecast continued strong growth throughout the year.

Net income for the quarter was $387m, or $1.36 a share, up from $234m, or 85 cents, in the same period last year. The company beat Wall Street analysts' projections of about $1.31 a share by a comfortable margin.

Revenues for the quarter were $4.8bn, up 14.3 per cent from $4.2bn in the first quarter of 1996. Currency translations reduced revenues by about $200m, the company said.

Gross margins for the period were 24.5 per cent of revenues, up from 24.2 per cent in the fourth quarter of 1996.

Compaq's unit shipments increased by 27.6 per cent against year-ago figures. This is roughly twice the rate of unit growth in the PC industry as a whole, said Mr Earl Mason, chief financial officer.

Unit sales were particularly strong in Europe, where they rose by 34.7 per cent, he said. This reflected strong demand for servers and workstations as well as Compaq's PC products, he added. Sales in the UK and The Netherlands were especially strong.

Compaq reduced its stocks of materials and finished goods by $666m, compared with the first quarter of 1996. Operational improvements enabled the company to raise its cash balance to $4.7bn, up from $1.3bn a year ago. The inventory reduction was achieved by re-engineering manufacturing and logistics operations, Mr Mason said. The company now aims to reduce inventories further through implementing a "build to order" system that will reduce stocks of finished goods.

The company's "economic value added" more than tripled compared with a year ago, said Mr Mason. This measure – operating profits minus the cost of all capital employed to produce these earnings – was the best way for investors to assess the company's performance and correlates closely with share price growth, he added.

"Compaq is positioned to gain market share and increase profits," said Mr Eckhard Pfeiffer, president and chief executive. Sales by Compaq's dealers and distributors were running at running at record levels, Mr Mason added.

Compaq's shares gained $1⅛ to trade at $76¼ in early trading yesterday.

Time Warner upbeat after cutting loss

By Christopher Parkes in Los Angeles

Time Warner is headed for a record-setting year after cutting its first-quarter net loss to 8 cents a share compared with 39 cents last time, Mr Gerald Levin, chairman, said yesterday.

The entertainment group's results, which included contributions from the merger with Turner Broadcasting last year, far outstripped analysts' projections of a deficit of up to 31 cents a share.

Mr Levin credited Time Warner's old core businesses with much of the progress.

Group cash flow, defined as earnings before tax, depreciation and amortisation, reached a record $1.14bn, up 27 per cent on last year's $899m.

The Home Box Office premium film network increased these earnings 19 per cent to a record $96m, Mr Levin said.

Time Warner Cable and the film division, Warner Bros, also reached new peaks with cash flow increases of 18 per cent and 10 per cent respectively.

Turner Cable Networks contributed $135m for the first time, according to a statement.

Group revenues rose 24 per cent to $5.6bn compared with $4.6bn.

Mr Levin said the company was "strategically complete" after the TBS acquisition and was now concentrating on integrating its businesses and improving its balance sheet.

The group has been criticised by Wall Street over the slow pace of integration and rationalisation which has dragged on since Time Inc and Warner merged in 1990.

The group recently sold its stake in the E! entertainment cable network, and has partly resolved some of the questions hanging over its film production businesses.

New Line Cinema, a Turner property, originally planned for disposal, is to operate as an "independent" studio, financing its films – which will be distributed by the parent – from outside sources.

This arrangement is similar to that of the successful Walt Disney "independent", Miramax, which produced the Oscar-winning film, The English Patient.

Reports are also circulating of a planned sharp reduction in staff and other overhead costs at Turner's Castle Rock studios.

A settlement of a long dispute with US West, which is expected to include the disposal of some cable television assets, is also forecast later this year, according to analysts.

Although the music divisions reported further falls in cash flow, from $146m to $140m, the group claimed it had held its 21 per cent share of the US market.

Warner Bros also achieved new cash flow records with a 10 per cent rise to $150m, owing mainly to its first animated feature, Space Jam, which has grossed more than $200m worldwide.

Ekberg's prescription for P&U

FUDS stands for Fears, Uncertainties, Doubts and Suggestions. It is not the title of a business management book, but has nevertheless been a valuable management tool for Mr Jan Ekberg, acting chief executive of troubled drugs company Pharmacia & Upjohn.

Mr Ekberg is in the middle of a world tour of P&U sites to reassure managers about the future of their employers. So far, he has asked the more than 1,000 managers to air their FUDS. Fortunately for the worried managers, perhaps, these are delivered anonymously via computer.

There has been no shortage of responses. In P&U's brief life – the Swedish-US merger was completed in November 1995 – it has issued two profits warnings and lost its first chief executive, Mr John Zabriskie.

Few other chief executives would risk the FUDS strategy. But times are so tough at P&U that Mr Ekberg believes extreme measures are called for.

The merger, welcomed at the time, came in the midst of widespread drugs industry consolidation, most notably the £9bn ($14.58bn) purchase of Wellcome by Glaxo, its UK rival.

The new management declared that P&U was now a top 10 drugs company by sales. Savings would reach $500m a year by 1998, thanks to cuts in overlapping areas and growth generated by the marvellous fit between Upjohn, strong in the US and chemistry research and development, and Pharmacia, strong in Europe and heavily involved in biology.

But the euphoria was short-lived, and the share price is back at its January 1996 level.

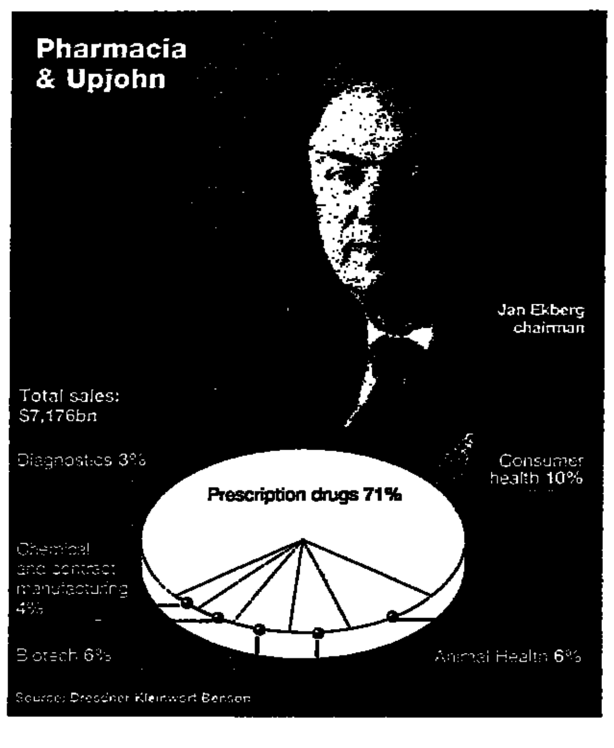
"We were too optimistic in our forecasts," Mr Ekberg says. "We sold too hard both the speed of the integration and its the benefits."

The process of cutting costs was more complicated than expected. "We underestimated the time it would take, and people got stuck, he says.

"I have always under-sold and over-performed. But I think that in the last year we did it the other way around."

He dilutes this barely-veiled criticism of Mr Zabriskie's management style by blaming tough competition from generic drugs. And he says that all mergers face cultural problems.

Yet stories of the cultural difficulties at P&U are legion in the drugs industry. Swedish managers realised that few of the top managers at Upjohn's headquarters in Kalamazoo, Michigan, had even been outside the US. Americans, by contrast, were dismayed at the apparent unfriendliness of their Swedish counterparts, unused to the ice-breaking small talk common in US business.



Source: Dresdner Kleinwort Benson

Mr Ekberg is careful not to criticise too heavily the way Upjohn did business, venturing only that the company was over-dependent on the US.

But he does not rule out an internal appointment for the vacant chief executive's job, and the top internal candidates are Swedish.

Whoever gets the job will be running a company created from a half-finished merger.

"I wouldn't say that we carry too many people: I don't think we are very well equipped when it comes to sales forces," Mr Ekberg says.

"But [in many places] we have two accountancy departments, two personnel departments, and so on.

"In Europe we have started to run a project to take advantage [of the merger]. In France we may have an accountancy department that would do accounting for France, and take care of other countries as well."

The new chief executive will also have to live with Mr Ekberg's determination – backed by the company's biggest shareholders – not to divest any of P&U's many non-drug businesses.

Though admitting that the company's spread gives it too high a cost base, Mr Ekberg's solution is to reduce the number of medical areas in which it sells prescription drugs and to treat some other operations, such as diagnostics, in a more arm's-length fashion.

But he rejects drastic rationalisation. "I take an industrial view of this," he says.

"If you are going to build positions in a few areas, you must have a series of products so that you have more to offer to the key customers."

But there will be plenty of cuts to make. Running efficient research and development from all four sites – Michigan, Stockholm, Uppsala and Milan – is difficult, he says, but this is nothing compared with the inefficiencies of manufacturing sites inherited from Upjohn, Pharmacia and the many companies that have been merged over the years to form Pharmacia.

Candidates for the job of P&U's chief executive could be forgiven for having a few FUDS of their own.

Daniel Green

Keppel Corporation

Keppel Corporation Limited
(Incorporated in the Republic of Singapore)

PROPOSED BONUS ISSUE OF UP TO 154,305,659 NEW ORDINARY SHARES OF S$1.00 EACH IN THE CAPITAL OF THE COMPANY ("BONUS SHARES") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF S$1.00 EACH HELD IN THE CAPITAL OF THE COMPANY AS AT THE BELOWMENTIONED BOOKS CLOSURE DATE, FRACTIONS OF A BONUS SHARE TO BE DISREGARDED ("BONUS ISSUE")

Notice of Closure of Registers of Bondholders

To: All holders of Keppel Corporation Limited's
(i) US$75,000,000 principal amount of 4 per cent. convertible bonds due 1997 ("4% CB"); and/or
(ii) US$75,000,000 principal amount of 2.75 per cent. convertible bonds due 1997 ("2.75% CB");

NOTICE IS HEREBY GIVEN that the Registers of Bondholders will also be closed from 5.00 p.m. on 30 April 1997 to and including 5 May 1997, in line with the Closure of the Transfer Books and the Register of Members. The 4% CB and 2.75% CB WILL NOT be convertible/exercisable during this period. Duly completed conversion/exercise forms by holders of the 4% CB and 2.75% CB received by B.A.C.S. Private Limited or by the relevant conversion agent (as the case may be) on or before 5.00 p.m. on 29 April 1997 will be registered to determine their entitlements under the Bonus Issue.

Also pursuant to the Bonus Issue, the current conversion/exercise prices of the 4% CB and 2.75% CB will be adjusted as follows:-

	Conversion or Exercise Price	
	Current	Adjusted
US$75,000,000 principal amount of 4 per cent. convertible bonds due 1997	S$3.05 per share	S$2.44 per share
US$75,000,000 principal amount 2.75 per cent. convertible bonds due 1997	S$3.97 per share	S$3.18 per share

By Order of the Board
TEO SOON HOE
Secretary

Singapore, 4 April 1997

Dow Jones head stands by plan for investment

By Richard Waters in New York

Mr Peter Kann, chairman of Dow Jones, came under fire from discontented shareholders again yesterday, as he repeated the US business information company's resolve to invest up to $650m in its troubled financial markets service.

Speaking at a crowded shareholders meeting in New York, Mr Kann said of the poor performance of the Dow Jones Markets service, formerly known as Telerate: "We clearly are not pleased about it, or satisfied."

He added, though, that the company's board continued to believe that its long-term investment view would pay off, as it had with other investments made by the company in recent years.

"Where we have had the confidence and commitment to stay the course, it has brought results," Mr Kann said. "This company has always been managed for profit – but it has not been managed for short-term profit."

Mr Kann's comments drew criticism from some large shareholders at the meeting, though not from the two members of the controlling Bancroft family who have also agitated for a rethink of the investment plans.

Mr Thomas Price, a media industry analyst for the Franklin Templeton mutual fund group, which owns 4.1m shares, repeated a call for four new members of the board, who were elected yesterday, to carry out a review of the markets service investment.

The new directors include three of the US's top business executives: Mr Harvey Golub, chairman of American Express; Mr Frank Newman, chairman of Bankers Trust; and Mr William Steere, chairman of Pfizer.

The Franklin investment is managed by Mr Michael Price, who has won a considerable following as one of the most outspoken US mutual fund investors – a role which this week won him a place in Time magazine's annual list of the 25 most influential people in America. Mr Price himself sat silently through part of yesterday's meeting before leaving for a trip to Boston.

"Management in this case has not been attentive to shareholder value," Mr Thomas Price said. He added, though, that Franklin would, if anything, add to its current 5 per cent stake. "If the stock [price] comes down, which we think it probably will, we will be buying more."

Another big shareholder, Mr Jim Cramer, a hedge fund manager and financial journalist who controls 1m shares, warned that the Dow Jones Markets service could turn out to be a "bottomless pit that could take billions to turn round".

Philip Morris reaches record in quarter

By Richard Tomkins in New York

Strong increases in first-quarter sales and profits at Philip Morris, the biggest US tobacco company, showed why anti-tobacco lawyers see the company as a potential gold mine.

World-wide volume of the company's flagship Marlboro brand rose 5 per cent, helping lift net profits 13 per cent to a record $1.8bn, the company announced yesterday.

Revenues rose 4 per cent to $18.2bn, while earnings per share, boosted by stock repurchases, rose 16 per cent to 73 cents, in line with analysts' forecasts.

Big increases in cigarette profits at home and overseas helped produce the earnings growth; but the company also saw a good performance from its Kraft Foods business in North America.

Miller Brewing, the beer subsidiary, and international food made slower progress.

It emerged yesterday that the US tobacco industry had met anti-tobacco lawyers to discuss outline proposals for a deal that would settle all outstanding litigation against US cigarette makers in return for a slice of their profits.

Philip Morris's share price – recently adjusted for a three-for-one stock split – shot up by $4¼, or about 8 per cent, to $42 in early New York trading, on the assumption that the company would be much better off if the threat of litigation were removed.

Philip Morris's domestic tobacco operation, which would be the main target of any settlement, increased operating profits by 11 per cent to $1.1bn in the first quarter, helped by price rises and a shift in sales towards more profitable brands. Revenues rose 3 per cent to $2.9bn.

The international tobacco business did better still, increasing operating profits by 15 per cent to $1.3bn on an 11 per cent rise in revenues to $7bn.

Philip Morris said the gains were driven by higher volume and price increases, partly offset by the strength of the dollar against other currencies.

Kraft Foods did well in North America, increasing operating profits by 10 per cent to $743m with the help of double-digit volume growth in pizza, cereals, coffee, meals, desserts, snacks and beverages.

But international food increased operating profits by a relatively modest 4 per cent to $273m. The division was hindered by the strong dollar and lower earnings in Latin America.

Miller Brewing increased operating profits by just 3 per cent to $119m amid strong competition in the mature US beer market.

Philip Morris said the company was refocusing its attention on core brands.

AMERICAS NEWS DIGEST

BankAmerica beats estimates

BankAmerica, the third-largest US bank, beat analysts' estimates in the first quarter with earnings per share of $2.05, compared with $1.79 in the first quarter of 1996. The consensus estimate was $1.97. Net income rose 8 per cent to $780m, on net interest income flat at $2.17bn.

Provision for credit losses was $220m, up $40m from a year earlier but unchanged from the previous quarter. Net credit losses were $204m for the first quarter, a decline of 15 per cent year on year. Net interest margin for the first quarter was 4.16 per cent, down 0.02 percentage points from a year earlier, but up 0.03 from the previous quarter.

If the effects of the credit card securitisations during the second half of 1996 had been excluded, net interest income for the first quarter would have increased $63m from the first quarter and the net interest margin would have been 4.2 per cent.

Non-interest income increased $111m, or 9 per cent, from a year earlier. Non-interest expenses were $2.03bn, up $20m from the first quarter of 1996, primarily due to payments on trust preferred securities. Without these payments, non-interest expenses would have been $1.2bn, a fall of $15m from a year ago.

BankAmerica said it repurchased 4.3m shares of its common stock in the first quarter at an average per-share price of $110.48, which reduced stockholders' equity by $475m. *AFX News, San Francisco*

Vitro advances 13%

Vitro, the Mexican glass manufacturer, posted a net profit of 582.6m pesos ($73.9m) in the first quarter of 1997, a 13.9 per cent increase over the same period in 1995. Exports grew 12.8 per cent in the first quarter to $153m, but the appreciation of the Mexican peso against the dollar depressed Vitro's consolidated net sales, which grew by only 1.8 per cent to 4.44bn pesos. Vitro said it expected exports to increase by $100m a year following the start up in March of a $55m plant that will produce washing machines and fridges for export. The new factory is a joint venture with Whirlpool, of the US.

"We are finally seeing the vast improvement in Vitro's profitability following the disposal of Anchor-Glass last year," said Mr Bond Snodgrass, an analyst with Abaco, the Mexican brokerage. He noted that Vitro's operating margin of 18.4 per cent in the first quarter was among the best of Mexico's big industrial conglomerates. Vitro wrote off its $1bn investment in Anchor-Glass, its loss-making US subsidiary, in September 1996.

Big increases in gas and electricity tariffs at the beginning of the year cut Vitro's operating income by 6.4 per cent to 814.4m pesos. Cost saving measures, introduced in the second half of last year, cut overheads by 7.5 per cent to 910.6m pesos in the first quarter of 1997. *Leslie Crawford, Mexico City*

Colgate-Palmolive ahead

Colgate-Palmolive saw first-quarter sales rise 5 per cent to $2.1bn, but said sales would have risen 8 per cent had it not been for currency translations. Net income was $169.6m, compared to $143.5m in the first quarter of 1996, and earnings per share, up 18 per cent at $1.12, were marginally ahead of analysts' estimates of $1.10.

North American sales were up 7 per cent on 8 per cent unit volume growth, while Latin American sales rose 10 per cent on 8 per cent unit volume growth, boosted by stronger worldwide advertising. In Europe the company had 2 per cent higher unit volume, but sales declined 6 per cent, reflecting the impact of currency translation, Colgate said. *Reuter, New York*

Bear Stearns 'proud' of result

Bear Stearns, the US investment bank, yesterday posted earnings per share for the third quarter of $1.14, up from the 86 cents in the same period a year ago. The company reported net income of $165m for the period to March 27, compared with $128m in the previous quarter, on revenues of $1.51bn against $1.29bn. Mr James Cayne, chief executive, said: "We are proud of these very strong results, reflecting substantial increases in all revenue categories from a year ago."

During the third quarter, commission revenues rose 4.7 per cent to $191.8m, while principal transactions revenues reached $407.3m, up 15.4 per cent. Investment banking revenues were $188.7m, up 30.7 per cent from a year earlier. *AP-DJ, New York*

Ahmsa secures $330m loan

Ahmsa, Mexico's largest steel manufacturer, yesterday secured a long-term, $330m loan from a consortium of 29 banks which will allow the company to retire almost the entire amount of its short-term debt. The loan, backed by export earnings, matures in five to seven years and carries an annual interest rate of between 8.26 per cent and 8.46 per cent.

The fall in international steel prices affected Ahmsa's results in the first quarter of 1997. Although the company's steel output grew by 6.3 per cent to 741,097 tonnes, revenues fell 7.5 per cent to 2.8bn pesos ($355m). Operating income was down 29 per cent at 458m pesos. The company posted a net financial gain of 291.8m pesos in the first quarter due to the restructuring of its $1.4bn debt and the appreciation of the peso against the dollar.

Ahmsa's net income, however, fell 51 per cent to 754m pesos, compared with a net income of 1.54bn pesos in the first quarter of 1996. The operating margin also declined from 21.2 per cent in the first quarter of 1996 to 16.3 per cent in 1997 first quarter. *Leslie Crawford*

NCR reduces losses

NCR, the computer company spun off by AT&T last year, reported a narrowed first-quarter loss of $16m, or 16 cents a share, compared with a loss of $65m, or 64 cents, in the year-ago period. Revenues for the quarter were $1.4bn, a decline of 12 per cent. Orders, however, increased.

The strong US dollar and continued weakness in European markets dragged down first-quarter results, said Mr Lars Nyberg, chairman and chief executive. The company's withdrawal from the retail PC market also reduced revenues, he said. *Louise Kehoe, San Francisco*

MILAN
VIA ALBRICCI 10, corner VIA VELASCA
FOR SALE

Real estate, property of ISASTI Srl (Sistemi Urbani - Gruppo IRI - FINTECNA).
For office use, prestigious, completely restructured with up-to-date standardized installments, aluminium double ceilings and excellent finishings. Already rented commercial units, located on the ground floor.
At present, rented to a leading Multinational with a recently formalized contract.
The real estate is for sale as it is, offering interesting income.
For further detailed information about the offering, please contact Gabetti SpA, which assists the property in the sale at: 0039+2+7755249.

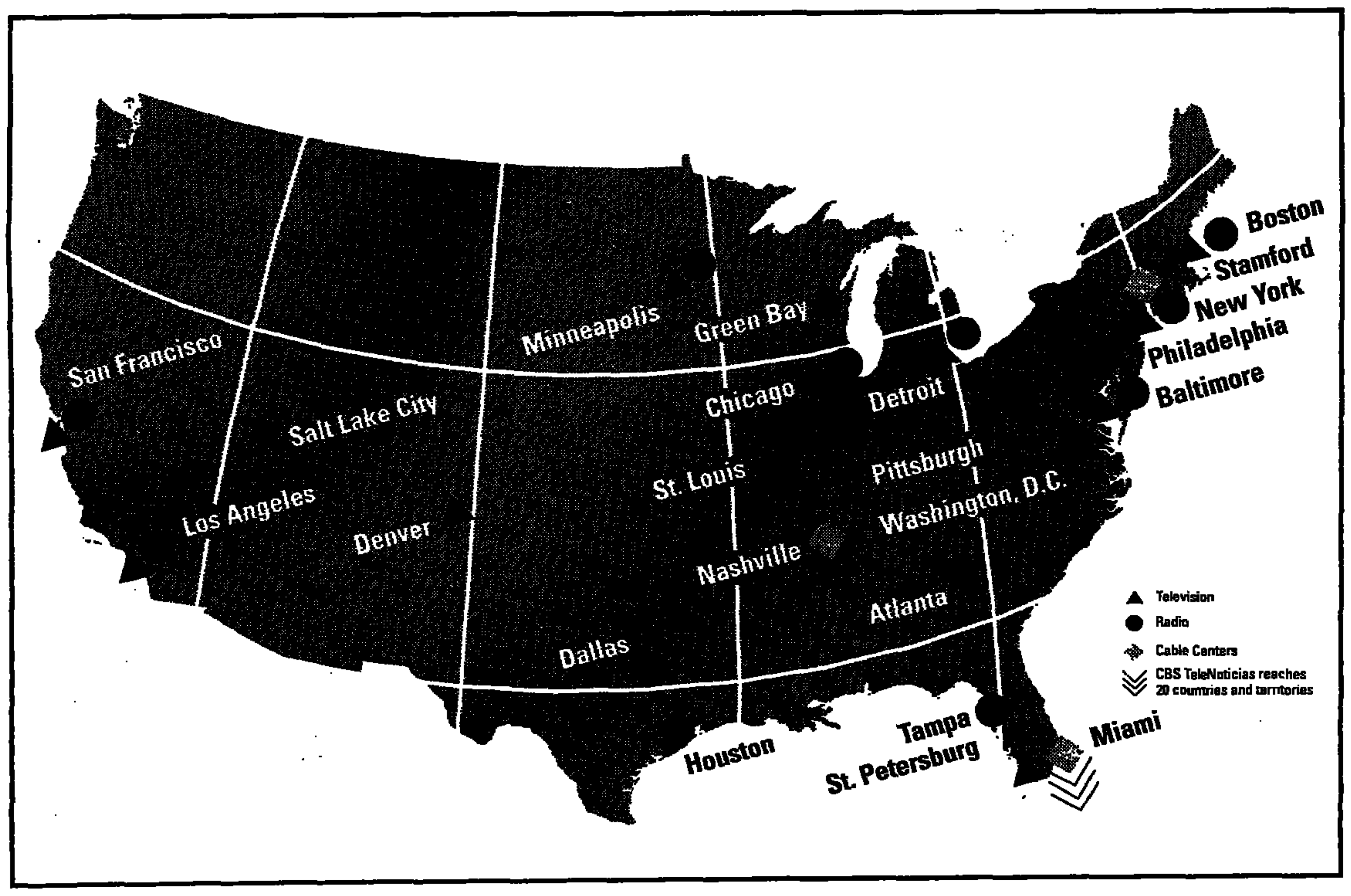
gabetti per l'impresa
Tel. 0039-2-77551 - http://www.gabetti.it

CHASE

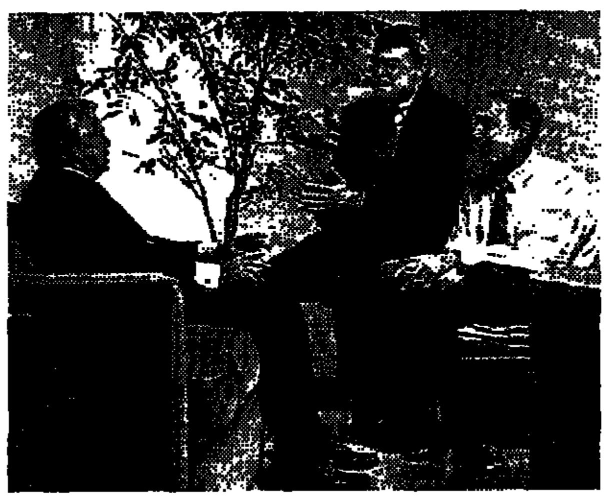
When Westinghouse and Infinity combined their radio broadcast capabilities

Chase was already tuned in.

Chase's long-standing relationship with both Westinghouse and Infinity Broadcasting Corporation – and an in-depth understanding of both companies' strategic objectives – helped lead to Westinghouse's $4.9 billion merger with Infinity. Chase was instrumental in initiating the transaction, which created the nation's largest radio group, and served as financial advisor to Westinghouse.



"Chase has had a close relationship with both companies for over a decade, advising and financing on a range of transactions. Their in-depth knowledge of our businesses enabled us to identify this opportunity."



Mel Karmazin, Chairman and CEO, CBS Radio,
Michael H. Jordan, Chairman and CEO, Westinghouse Electric Corporation,
Fredric G. Reynolds, Executive Vice President and CFO, Westinghouse Electric Corporation.

CHASE. The right relationship is everything.℠

Chase Securities Inc. acted as financial advisor.

©1997 The Chase Manhattan Corporation. Chase Securities Inc. is a subsidiary of The Chase Manhattan Corporation and a Member NASD/SIPC. Approved for issue in the U.K. by Chase Manhattan International Limited – Regulated by SFA.

DAIMLERBENZ
AKTIENGESELLSCHAFT

Annual General Meeting 1997

We hereby invite our shareholders to the **101th Annual General Meeting** which will be held on **Wednesday, May 28, 1997 at 10.00 a.m.** in the Hanns-Martin-Schleyer-Halle, Mercedesstrasse 69, D-70372 Stuttgart (Bad Cannstatt).

Agenda (short version)

1. **Presentation of the financial statements, the consolidated financial statements and the business review for the 1996 financial year.**
2. **Resolution concerning the distribution of unappropriated profit.** It is proposed that a dividend of DM 1.10 from the unappropriated profit for the 1996 financial year of DM 649 million will be paid on each ordinary share of DM 5 par value.
3. **Formal approval of the Board of Management's actions for the 1996 financial year.**
4. **Formal approval of the Supervisory Board's actions for the 1996 financial year.**
5. **Election of auditors for the 1997 financial year.**
6. **Resolution concerning approval of profit and loss transfer agreements.**
7. **Adoption of a resolution concerning the extension of the authorization of the Annual General Meeting of May 22, 1996 for the sale of convertible bonds to the management in addition to the simultaneous expansion of conditional capital stock in accordance with § 3 Par. 5 of the articles of association and amendment to the articles of association.**

★

Entitlement to attend the Annual General Meeting and to exercise voting rights is restricted to shareholders who in accordance with the articles of association deposit their shares or the certificate of their shares at the latest by Wednesday, May 21, 1997 at the depositary below or with the company or with a German notary or a bank until the end of the Annual General Meeting.

The depositary in the United Kingdom is **Deutsche Bank AG London.**

Shares can also be deposited properly if with the consent of a depository they are blocked by a bank until the end of the Annual General Meeting.

A copy of the annual report as well as admission cards for the Annual General Meeting can be obtained from Deutsche Bank AG London, 6 Bishopsgate, London EC2P 2AT.

Stuttgart-Möhringen, April 17, 1997

Daimler-Benz Aktiengesellschaft
The Board of Management

ELSEVIER
Registered offices at Amsterdam

Dividend for Elsevier NV Ordinary Shareholders

On 16 April 1997 the Annual General Meeting of Shareholders approved the Company's 1996 Accounts. A dividend of Dfl. 0.76 for the 1996 financial year was declared. Following payment of the 1996 interim dividend of Dfl. 0.20 as of 7 October 1996, a final dividend of Dfl. 0.56 will be payable as of 28 May 1997.

As of 21 April 1997 the Elsevier shares will be traded ex-dividend. Holders of registered shares recorded as such in the Company's share register at close of business on 18 April 1997 will receive the final dividend, less 25% withholding tax, by payment to the bank account which they have notified to the Company.

Holders of bearer shares will receive the final dividend, less 25 per cent withholding tax, on submission of the No. 5 dividend coupon, at the offices of one of the following banks in the Netherlands: MeesPierson N.V., ABN AMRO Bank N.V., Rabobank Nederland or ING Bank N.V.

Arrangements can be made with the Dutch and UK tax authorities for dividends to UK residents who are entitled to relief under the UK/Netherlands tax convention to be paid subject to a reduced rate of Dutch withholding tax of 15%.

Amsterdam, 17 April 1997 Executive Board

The Financial Times plans to publish a Survey on

Hong Kong & China

on Monday, June 16

The handover of Hong Kong to China will be one of the most closely watched world events of 1997. This survey will examine how Hong Kong will embark upon its new future, how China will handle the challenge of taking responsibility for 6 million capitalist citizens, and how it marks the end of an empire for Britain.

For further information on advertising opportunities, please contact;
Jenny Middleton or Haj Hatlejee on Tel: +44 171 873 3794/4784
Fax: +44 171 873 3204
Brigitte McAlinden or Liz Vaughan on Tel: +852 2905 5554/5555
Fax: +852 2537 1211
or your usual Financial Times representative

FT Surveys

BANQUE SOFINCO
FRF1,000,000,000
Floating Rate Notes due 1998

Notice is hereby given that the rate of interest for the period from April 17th, 1997 to July 17th, 1997 has been fixed at 3.46484 per cent. per annum. The coupon amount due for this period is FRF 87.56 per denomination of FRF 10,000 and FRF 875.63 per denomination of FRF 100,000 and is payable on the interest payment date July 17th, 1997.

BNP The Fiscal Agent
Banque Nationale de Paris
(Luxembourg) S.A.

BUSINESSES FOR SALE

Appear in the Financial Times
on Tuesdays, Fridays and Saturdays.
For further information
or to advertise in this section
please contact
Marion Wedderburn
+44 0171 873 4874

Carlsberg-Tetley's Dinesen frustrated by eight-month delay

Call for reform of mergers

By Ross Tieman

The chief executive of Carlsberg-Tetley, Mr Ebbe Dinesen, has called for a fundamental overhaul of the UK's competition regime.

Frustrated that competition overseers have yet to deliver a verdict on his brewing company's planned takeover by Bass eight months after the deal was announced, Mr Dinesen urged a simpler, speedier and apolitical system of evaluating proposed mergers.

Uncertainty over the outcome was blocking investment and blighting the lives of his employees. "The process takes no regard whatsoever of employees and customers and suppliers, or the needs of companies involved," he said.

Such criticism from a leading businessman with intimate experience of the competition system is unusual. It reflects growing impatience among business leaders that although government and opposition agree on the need for reform, no action has been forthcoming.

Mr Dinesen said he felt free to speak out because he was running a joint venture company which was being bid for.


Ebbe Dinesen: companies should have the right of appeal

His attack came after the government declined to publish the findings of a Monopolies and Mergers Commission inquiry into the deal until after the election on May 1. The MMC report has already been delivered to the Department of Trade and Industry. But Mr Ian Lang, industry secretary, said he was bound by cabinet office guidance not to take significant decisions during the campaign, however long it lasted.

The proposed merger, which would create the UK's biggest brewer, was referred to the MMC on December 9 on the advice of the Office of Fair Trading. Under terms agreed in August, Bass will pay £200m for Carlsberg-Tetley, jointly owned by Carlsberg of Denmark and Allied Domecq.

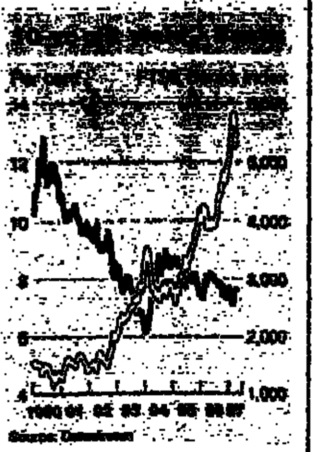
The deal will lift Bass's market share from about 23 per cent of the UK beer market to some 35 per cent, allowing the brewer to overtake Scottish Courage with 31 per cent.

The MMC is widely expected to recommend the deal be permitted, provided Bass takes steps to avoid excessive market dominance in the north of England.

Mr Dinesen suggested that the OFT, which conducts preliminary enquiries, should be merged with the MMC, which draws up detailed reports. He also called for an end to the industry secretary's involvement in deciding conditions under which mergers can proceed. "It is very difficult to understand the direction of the various ministers," he said. If politicians remained involved in merger decisions, companies should have the right of appeal.

LEX COMMENT

UK banks



After a sharp run-up in banks shares early this year, the sector is now flagging. Post-results season fatigue is a factor. But fears of higher interest rates are also depressing sentiment. This seems inappropriate. Once upon a time, banks borrowing short and lending long were indeed vulnerable to rising interest rates. But nowadays instruments like repos and derivatives allow them to match assets and liabilities. Shifts in interest rates therefore have little direct impact on profits. But inasmuch as they signal higher inflation, they do matter. By pushing up bond yields and raising the cost of capital, inflation is bad for for equities in general. But it is especially bad for banks whose loans, made in nominal terms, can have their real value ravaged by inflation.

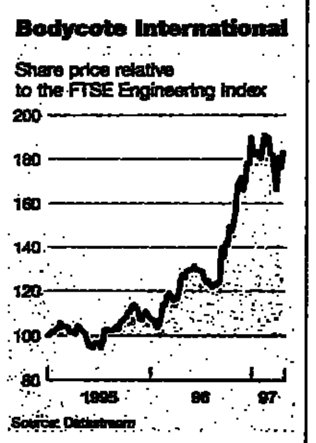
Rising interest rates are also a reminder that the business cycle has not been abolished. Credit quality is probably the decisive variable affecting bank profitability, and bad debt charges are probably at a trough.

These factors, however, need to be kept in perspective. There is very little chance of inflation and bond yields returning to levels seen in the 1980s. Shareholders have the added security that most managers are now much more committed to the discipline of shareholder value than was the case then. While returns will fall from the current record levels, the fairly certain prospect of dividends growing ahead of the market should underpin further share price advances.

Bodycote continues advance

By Charis Gresser

Bodycote International, the UK engineering group which has seen its share price rise by 60 per cent over the past year, delighted the City again yesterday with another strong set of annual figures.



The shares jumped 32½p to close at 770p after the company said it had lifted annual pre-tax profits by 46 per cent to £27.6m.

A year ago, the shares were around 470p. They have outperformed the FTSE-All share index by more than 40 per cent since then. Mr John Chesworth, chief executive, said: "We've not been well known because people in the City don't always understand what we do".

The company tests, heats and coats metals. It shot to prominence as it shed its old textiles businesses and embarked on an acquisition spree last year, spending £26m on plant in the US.

Mr Chesworth founded the business in 1972 with four partners, "having mortgaged the house, the wife and the kids".

In 1979, he sold the small business for £1.8m to Bodycote. The group now has a market value of £617m.

Acquisitions contributed £5.4m of operating profits in 1996, but organic growth was also strong. Mr David Larkam, analyst at Albert E Sharp, said the company had all the attributes of a quality player. "It's in growth markets, it's in a diversity of markets."

Bodycote ended the year with net cash of £98m, depleted a month later by the £86m purchase of Brukens, including £30m of debt.

Strong sterling set to hit Reuters and Reed

By Christopher Price

Reuters and Reed International, the media groups, both warned yesterday that the strength of sterling could hit their first half profits.

Both have extensive overseas interests and the warnings, made at their respective annual meetings, came as little surprise to the market.

Reuters was the more forthright. Mr Peter Job, chief executive, cautioned: "If sterling maintains this level we expect to announce little or no growth in reported pre-tax profits and earnings at the half year."

Most analysts reined in forecasts from £735m to about £720m. Last year, the group, which specialises in systems and software for foreign exchange dealings, made £701m.

It accompanied its results statement in February with a cautious statement on trading, mostly due to the strength of the pound.

Mr Ian Irvine, chairman of Reed, said sterling "will have a marked effect on the reported results, particularly in the six months to June 30" if current levels of sterling continued.

He added that, while the group's underlying businesses "continue to perform well," margin improvement may be constrained by the infrastructures required for new electronic products.

Reuters also reported first quarter results yesterday, with revenues ahead 8 per cent on an underlying basis. However, they declined 2 per cent to £699m due to the strong pound on an actual basis.

Mr Job said the introduction of the 3000 series, the group's new generation of trading systems, was "making steady progress".

Shareholders questioned chairman Sir Christopher Hogg over the group's £1bn cash pile.

Reuters had planned to return a proportion to shareholders in October through special dividend shares but was thwarted by a change in Inland Revenue tax rules.

Sir Christopher said other means were still being examined, but said the company remained hopeful that the government could be persuaded to amend the rules.

Mr Job said the "millennium time bomb" – the threat to the world's computers from 2000 – was a "serious issue" for the company.

He said the issue would take up a lot of management time which would otherwise be used for the development of products and strategies.

Shares in Reuters dipped 3p to 589p, while Reed rose 8p to £11.01½p.

Cobham links up with Boeing

By Ross Tieman

Doubts about Cobham's ability to maintain its impressive growth were dispelled yesterday when the aerospace group announced better-than-expected results and closer links with Boeing of the US.

The shares added 35p to 652½p after Cobham unveiled pre-tax profits for 1996 of £43.7m ($70.8m), up 47 per cent. Although bolstered by £2m of interest income and £1.5m from acquisitions, the outcome was at the top of market expectations.

Mr Gordon Page, chief executive, said Cobham had been contracted to develop a fuel system for Boeing's challenger for the Joint Strike Fighter contract.

The aircraft manufacturer is engaged in a run-off with US rival Lockheed Martin to develop the next workhorse for the US Air Force, Navy, and Marines, and the Royal Navy.

"This is a big step forward for Cobham," said Mr Brian Newman, of Henderson Crosthwaite. "Although they are an Airbus supplier, they have virtually no business with Boeing. This will enhance their credibility as a fuel systems supplier."

Cobham's order book climbed from £345m to £605m last year after it won a series of key contracts. These included a production contract for the Phoenix reconnaisance drone, rebuilding airframes of Nimrod maritime patrol aircraft, and establishing a private sector helicopter school for the UK armed services in partnership with Bristow Helicopters and Serco.

Worries about diversification into civil electronics through the acquisition of Westwind, a maker of printed circuit board drilling equipment, have also diminished. Mr Giles Irwin, finance director, said Westwind matched its 1995 operating profit, despite the problems of its customers in the electronics industry, and was now seeing a sustained upturn in demand from Asia and the US.

But poor sales at the Hymatic defence equipment subsidiary in Redditch triggered 90 job losses, cutting the workforce to 250. Cobham is contemplating merging it with its Carlton subsidiary in the US.

Hepworth sells arm to Alpine

Hepworth, the building materials group, is raising £62.5m ($101.3m) from the sale of its refractories division to Alpine Group of the US, writes Andrew Taylor.

The price paid for the business, which manufactures heat resistant linings for furnaces, was higher than expected and Hepworth's shares rose 11p to 269½p.

The cash will initially be used to repay net debt, which amounted to £44.7m at the end of December, representing gearing of 21 per cent. Mr Malcolm Heald, finance director, said: "Longer term, we will use our financial strength to make acquisitions and invest in our core building products and central heating divisions."

The company has been criticised for failing to make acquisitions and expand its business sufficiently.

Pre-tax profits fell by 9 per cent last year to £67.6m (£74.5m).

The purchase marks Alpine's first expansion of its refractories business outside the US, where it is one of the leading companies in the sector.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
AG	6 mths to Jan 31	15.6	(14.3)	1.44	(1.57)	5.1	(5.2)	2.25	July 1	2.25	-	6
Blockleys	Yr to Dec 31	8.34	(9.73)	2.71L♠	(0.581L)	7.41L	(1.74L)	0.01	July 1	0.01	0.01	0.01
Bodycote Intl	Yr to Dec 31	120	(80.4)	27.6♥	(18.9♥)	30.2†	(19.7)	4.8	July 1	4.1	7.4	6.5
Bridgend	Yr to Dec 31	14.1	(15.6)	0.148♥	(3.38L♠)	0.5	(12.3L)	0.1	July 8	0.1	0.2	0.2
Caspian	6 mths to Dec 31 ⁑	12.5	(-)	2.27L♥	(-)	1.15L	(-)	-	-	-	-	-
Chepstow Racecourse	Yr to Dec 31	2.02	(1.98)	0.276	(0.285)	48.5	(52.1)	6	June 12	6	6	6
Cobham	Yr to Dec 31	269.6	(227.7)	43.7	(29.8)	32.6†	(26.2)	7.8	July 4	6.6	11.3	9.65
Deacora	Yr to Dec 31	28	(33.8)	3.62	(3.11)	12.4	(10.1)	4.5	July 1	4.1	4.5	4.1
Flare	Yr to Dec 31	37.1	(11.5)	3.3	(1.31)	11.6	(12.5)	1	-	-	1	-
IFG ♣	Yr to Dec 31	17.2	(12.7)	1.56	(1.07)	3.31	(2.86)	0.6	Aug 29	0.5	0.6	0.9
Int'gent Enviro Φ	Yr to Dec 31	3.48	(4.05)	1.39L	(0.202♠)	7.1L†	(1.1)	-	-	-	-	-
JJB Sports	Yr to Jan 31	130.8	(89.6)	20.3	(12.9)	14.45	(9.25*)	3	July 2	2*	4.5	2.92*
REA	Yr to Dec 31	108.2	(100.2)	1.78	(1.59)	8.1	(8.1)	4	Oct 7	4	4	4
Silvermines	Yr to Dec 31	65.3	(54)	4.14	(3.51)	4.52†	(4.2)	0.95	July 1	0.85	1.3	1.15
Turnpyke	Yr to Dec 31	5.44	(3.7)	0.237	(0.143)	1.01†	(0.81)	0.4125	July 14	0.4	0.5125	0.4
West Brom Albion Φ	6 mths to Dec 31	3.4	(2.84)	0.301	(0.129)	453†	(383)	-	-	-	-	-

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Aberforth Split	9 mths to Mar 31	377.9	(-)	-	(-)	-	(-)	2.25§	June 6	2.1	-	8.2
Invesco Convertible	6 mths to Feb 28 ☆	112.85	(102.45♦)	0.321	(0.319)	2.14	(2.13)	2.1	May 29	2	-	4
Scottish American	3 mths to Mar 31	-	(-)	-	(-)	-	(-)	1.32	July 3	1.28	-	5.18

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. ⁑Pro forma. *After adjusting for scrip issue. ΦAim stock. §Third interim; makes 7.75p to date. ☆Comparatives for 8½ months. ♣Irish currency. ♦As at August 31.

NEWS DIGEST

CalEnergy makes tax provision

CalEnergy, the aggressive US independent power producer that last year acquired Northern Electric after a hard fought battle, has broken ranks with other utilities and disclosed it has made provision for Labour's windfall profits tax.

Mr David Sokol, CalEnergy's chairman, said at the time of his company's £782m hostile bid for Northern that he had taken Labour's proposed windfall tax into consideration when deciding to bid for the Newcastle-based regional electricity company.

In CalEnergy's annual report it says that it has "established a liability" for the tax. It did not disclose the amount but it is understood to be about £100m ($162m).

Simon Holberton

J&J cuts Biocomp stake

Johnson & Johnson Development Corporation, the investment arm of the US healthcare company, yesterday sold 1.5m shares in Biocompatibles, the UK medical devices company, reducing its stake from 6.4 per cent to 4.3 per cent.

Merrill Lynch and Kleinwort Benson together placed 5m Biocompatibles shares on behalf of Johnson & Johnson and a number of other early stage investors at £13.35 a share, following the end of lock-up provisions. The shares closed down 5p at £13.60 yesterday.

Johnson & Johnson said the sale was part of its normal portfolio management policy and in no way reflected on its research collaboration with Biocompatibles, which it wanted to extend.

Roger Taylor

JBA delays finals

JBA Holdings, a business applications software vendor, yesterday issued a public apology after delaying the announcement of its full-year results because an accounting change had taken longer than expected.

The group had been expected to report a rise in pre-tax profits to £11.4m-£12.3m ($19.9m), up from £8.7m last time. It said it would announce its results on Monday.

JBA said it had decided "very recently" to change its accounting policy on the recognition of maintenance revenue to conform with US accounting rules.

The company said it had taken this decision because more than half its revenues now come from the US, and over the past 12 months the proportion of its equity held by US investors had risen from 15 to 30 per cent.

Paul Taylor

JJB chief sells stake

Mr David Whelan, chairman of JJB Sports, plans to sell part of his stake in the fast-growing sports goods retailer to fund a £15m ($24.3m) stadium for Wigan Athletic football club. The move will be welcomed by shareholders as it would add liquidity to the shares. Following the company's flotation three years ago, Mr Whelan still owns 60 per cent of the company. It is likely Mr Whelan will sell a 5 per cent stake for the stadium financing.

Christopher Price

Mowlem confirms SGB float

John Mowlem construction group confirmed yesterday that it will be floating 49 per cent of its SGB scaffolding-to-ladders business in a placing expected to value the business at more than £100m ($162m).

The money will be used to pay for the early redemption of a £50m Eurobond and to invest in other parts of Mowlem's business. SGB, which employs 400 people and operates in 20 countries, made operating profits of £16m last year on sales of £263.2m.

SGB is expected to inherit about £42m of debt. Mr Bob Stokell, SGB's executive said: "We are cash generative, and so we would expect to reduce that debt and be able to finance modest capital expenditure and acquisitions, but not within the next 18 months."

Andrew Taylor

Energy Group Indian project

The Energy Group, the recently demerged Hanson energy company, has made its first move into independent power production with a £500m project in India.

Energy Group will co-develop with Hindusthan Development Corporation a 500MW power station and lignite mine at Barsingsar in the State of Rajasthan.

HDC has 70 per cent of the project and the Energy Group has 30 per cent, together with full operational and maintenance responsibility.

Project finance will be non-recourse. Mining is scheduled to begin in 1999 with power plant commissioning in 2000, subject to official Indian Government consents and other agreements.

Sedgwick in Italian venture

Sedgwick, the international insurance broker, intends to merge its Italian business and most of its southern European and Latin American operations with Nikols, Italy's largest broker.

CHASE

When Royal Caribbean® International decided to build a globally integrated treasury system

Chase navigated it.

Royal Caribbean called on Chase's expertise in treasury management to develop a solution that gave it the ability to monitor and move funds more quickly around the world.

Majesty of the Seas

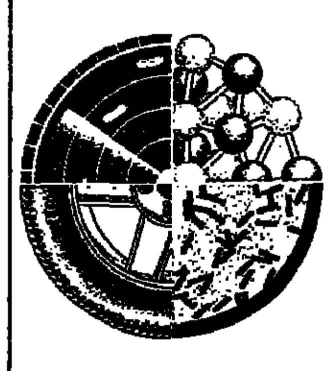
"Chase offered us industry expertise, global delivery capabilities and leading edge technology. More than that, Chase offered us a relationship, a partnership approach, a commitment to comprehensive support and assistance on a daily basis."

Royal Caribbean Chairman and CEO Richard D. Fain

CHASE. The right relationship is everything.℠

©1997 The Chase Manhattan Corporation.

Worth Watching · Vanessa Houlder



Gold allure for nanoelectronics

US researchers have isolated a new form of gold "clusters" that could form the basis of a future generation of nanoelectronics – electronic circuits that are just a few billionths of a metre in size.

The gold-cluster molecules show unusual quantum properties at room temperature, which are seen in larger crystals at temperatures close to absolute zero. These properties may make them suitable for a proposed development, known as single electronics, in which miniaturised circuits depend on the behaviour of individual electrons, leading to more powerful and cheaper electronic equipment.

The molecules have a pure gold core of between 1 and 2 nanometres across, surrounded by a shell of hydrocarbon chains and sulphur atoms. These hydrocarbon chains can be modified to give them particular chemical properties so the molecules can be incorporated in bigger structures.

Georgia Institute of Technology: US, tel 4048946986; www.gtri.gatech.edu/rco.html

From wheelchair to bed with ease

An interlocking bed and wheelchair has been developed by the Massachusetts Institute of Technology which could help disabled or elderly people to move from bed to chair without help.

The electrically powered wheelchair is designed to be used with a horseshoe-shaped bed, forming a system called Rhombus. It can be docked in the horseshoe section of the system and then lowered and flattened so that it forms part of the bed. One of the innovative features of the wheelchair is that it can respond to muscle movement. Slight muscular pressure on the back of the chair will prompt it to lower towards the bed. When the pressure stops, the chair holds its position.

The speed and direction of the wheelchair can be controlled with a joystick or by giving commands to the onboard computer.

Massachusetts Institute of Technology: US, tel 6172532700; http://web.mit.edu/newsoffice/www/

In the swim without chlorine

The pleasure of swimming in a public pool is often marred by red eyes, skin problems and the persistent smell of chlorine.

A Scottish company believes it has overcome these problems by developing a process for cleaning swimming pools that does not depend on chlorine.

The Uvazone system, which was developed by Triogen, a Glasgow-based water treatment specialist, is a free-standing unit that supplies ozone and ultraviolet light. The company says the combination of ozone and ultraviolet light is very efficient at clarifying the water, oxidising organic contaminants and inactivating viruses, spores and bacteria.

Triogen: UK, tel (0)141 8104861; fax (0)141 8105561.

Fridges warm to fuzzy logic

Sophisticated electronic controls that make use of "fuzzy logic" have been developed that can cut the energy consumption of small refrigerators by 40 per cent.

Fuzzy logic, a tool for dealing with imprecise data which offers important advantages over classical logic, gives the refrigerators better temperature control, lower maintenance requirements and an automatic defrosting sequence.

Electrolux, the Swedish electrical goods manufacturer, says its range of minibars also have improved insulation and more efficient cooling technology.

Electrolux Siegen: Germany, tel 271692107; fax 271692303.

FUELS FOR THE FUTURE

Traffic pollution has been cut dramatically thanks to reformulated petrol, says Christopher Parkes

US breathes more easily

Last summer, only months after its full introduction in California, reformulated petrol was already being hailed as the most effective automotive air pollution-fighter since the catalytic converter. The new oxygenated fuel had effected a 50 per cent cut in concentrations of airborne benzene, a known human carcinogen, according to samplings taken in the north of the state by the California Air Resources Board.

By the end of October, the end of the Los Angeles region's summer smog season, officials in the south were heaping more accolades on the new fuel. With only seven days of "stage one" smog alerts – signifying severe ozone pollution – the 1996 tally was half that of 1995, and the best result in more than 40 years of air-quality measurement.

In 1976, when LA's air was at its least breathable, 102 stage one alerts were issued, warning the susceptible to stay indoors with the air conditioning on. By 2000, says the South Coast Air Quality Management Board, the alerts will be obsolete.

The battle for clean air in the US is far from over – 90 per cent of Californians are still subject at least occasionally to "unhealthful air" – but reformulated petrol has emerged as a powerful weapon.

Sound results, if less dramatic than those in California, have also been measured in three other states and Washington DC, where reformulated petrol was also introduced last year as part of a federal phase-in project which started in 1992. Then, a handful of states which regularly failed to meet federal air purity standards were required to sell only reformulated fuel during the winter. Year-round sales started about a year ago.

Since then, its impact has not failed to match expectations raised by joint studies by regulators and oil companies.

The road ahead: one California estimate equates the effect of the new fuel with taking 3.5m cars off the road

According to the Arco oil group, average carbon monoxide emissions are cut by as much as 25 per cent, benzene by between 20 per cent and 30 per cent, and hydrocarbons and the volume of evaporated unburnt petrol by as much as 15 per cent.

There is still some dispute in the US about the value of the oxygenates in the "clean-burn" process. These are organic combustible liquids which contain oxygen atoms – not a natural component of petrol – such as ethyl alcohol or ethanol, and methyl tertiary-butyl ether. In reformulated petrol, these oxygenates replace aromatics, which are used to provide the octane levels which are needed for smooth engine running. Benzene is among the most widely used aromatics.

Although formulas vary between refiners, the new products, with their lower concentrations of toxic compounds, zero content of heavy metals and reduced sulphur component, have been a hit.

Hiccoughs have been only mild, and have faded quickly. US refinery conversion work lagged behind demand last year, and there were for a while suspicions that fuel price rises caused mainly by higher crude costs also masked unnecessary premiums on the new fuel.

Since then, the average 10 cents on a gallon of fuel attributable to the new formulations has been readily discounted by a driving public solidly convinced of the value of cleaner air.

Independent surveys by the Automobile Club of Southern California and other consumer groups have shown the loss of fuel efficiency is well within the 1 per cent to 3 per cent decline in mileage per gallon predicted.

A study by the automobile club completed last November showed "virtually no change" in fuel economy. Drivers' experiences with cold-starting, acceleration, engine smoothness and noise levels showed no significant differences between reformulated and conventional fuels.

According to the Arco group, RFG – the standard acronym for reformulated gasoline – already accounts for 30 per cent of the US market.

The US experience of mandatory federal emission standards – made even more rigorous by the authorities in highly motorised California – contrasts with the approach in Europe.

But progress is being made. According to a survey by Arco Chemical Europe, a division of the US oil group, reformulated petrol now accounts for 95 per cent of sales in Finland. Tax incentives for using cleaner fuels, which include oxygenated variants, have been introduced in Sweden. In the UK, where "clean diesel" users qualify for a tax break of 1p per gallon, National Air Quality Strategy reviewers have been assembling evidence from the US and elsewhere.

Oxygenated fuel will become mandatory in Italy by the end of this year and in France by 2000, while Germany appears to be moving in the same direction with a mix of mandate and tax incentives. Athens, Europe's most traffic-polluted city, has gone directly to the fount of most recent wisdom and asked the California Air Resources Board to join a study of its problems.

The board, which claims the volume of vehicle pollutants pouring into California's air fell 3m lb a day last year when RFG became mandatory – a decline which could otherwise be achieved by taking 3.5m cars off the road – has some persuasive arguments to present.

Previous articles in this series appeared on February 4 and March 4.

EU shifts view on R&D

The European Commission last week adopted the outlines of the Fifth Framework Programme which is expected to spend more than Ecu16bn (£11.2bn) on collaborative research and development between 1999 and 2002. It offers a "decisive change" from the present Ecu13.1bn fourth programme, the commission says.

The biggest difference proposed is that, instead of the 18 areas in the fourth programme, the fifth will have just six topics.

Three "thematic" programmes will cover the resources of the living world; creating a user-friendly information society; and promoting competitive and sustainable growth. And three "horizontal" programmes will cover international co-operation; innovation and smaller companies; and improving human potential.

At the same time, the commission is recommending "a genuine change in the way the framework programme operates". There will be more co-ordination between activities, and more flexibility enabling the EU to respond rapidly to unforeseen needs.

But some critics say the commission should have gone much further in streamlining the fifth programme. They feel in particular that the thematic programmes are too broad.

In the UK, for example, the Lords science and technology committee said it was "astonished" at the breadth of the proposals. "We would challenge the commission to name an area of research which could not find a place in one of its categories," the committee said.

Although the commission has not yet proposed a budget for the fifth programme, it will need to be in the region of Ecu16bn if it is to represent the same proportion of the EU's GNP as the fourth programme.

Meanwhile the fourth programme continues to issue new calls for research proposals. The table below, updated every three months in the FT, is a guide for those interested in taking part.

Clive Cookson

European Union research and technology grants

	Date/OJ Reference	Due date	Value Ecu m	DG	Contact fax/Email
TASK FORCE: Educational Multimedia *Co-ordinated call involving: telematics applications, information technologies, targeted socio-economic research, Socrates, Leonardo da Vinci, TEN Telecom*	17.12.96/C381	16.6.97	30 (this call)	III, VII XII XIII XXII	Multimedia Educational Task Force +32-2-299.37.38 edu.mm@tsd.dg13.cec.be
Information Technology (ESPRIT) *Software; components & sub-systems; multimedia; high-performance computing; business process technologies; manufacturing integration*	15.3.97/C84 15.4.97/C117 also Task Force above	17.6.97 & 18.9.97 31.3.98	2035	III	Mrs Gerda Colling +32-2-296.83.88 esprit@dg3.cec.be
Telematics Applications *Administration; transport; urban & rural areas; education & training; healthcare; environment; libraries; language and information engineering*	15.9.95/C240 17.12.96/C381 15.3.97/C84 also Task Force above	15.4.97 (correction) 2.6.97 (IADS) 15.4.97 (other) 15.4.97 (1st stage)	898	XIII	+352-4301.340.79 & +32-2-295.23.54 telematics@dg13.cec.be
***Industrial & Materials* Technologies** (BRITE-EURAM) *Production technologies; materials & technologies for product innovation; technologies for transport*	15.12.95/C337 17.12.96/C381 ● main call ● pre-screening ● networks CRAFT, etc 15.4.97/C117	20.5.98 30.4.97 & 15.9.97 28.6.97 11.6.97 17.12.97 8.4.98 20.5.98 31.3.98	1722	XII	Help Line +32-2-295.80.46 imt.helpdesk@dg12.cec.be
Standards Measurements and Testing (SMT) *Measurements for Quality European Products; standards and technical support to trade; measurements related to the needs of society*	15.12.94/C357 15.6.95/C148 17.12.96/C381 17.6.97	15.3.95-17.12.97 30.7.98 15.5.97 27.11.97	184	XII	Mr Pierre Mériguet +32-2-295.80.72 smt-helpdesk@dg12.cec.be
Environment and Climate *Environmental quality & global change; environmental technology; space techniques for environmental monitoring & research; sustainable development*	15.12.95/C337 17.12.96/C381 16.6.97	20.3.97-20.8.98 11.6.97 (SME awards) 15.10.97	566.5	XII	Space technology: +32-2-296.05.88 Other areas: +32-2-295.30.24 environ-infodesk@dg12.cec.be
Marine Science and Technology (MAST III) *Marine science; strategic marine research technology*	15.12.94/C357 15.3.96/C75 17.12.97.C.381(study/training)	11.6.97 & 17.12.97(SMEs) 27.6.97, 12.6.98 20.3.97 3.4.97 20.8.97	243	XII	Mr Jean Boissonnas +32-2-296.30.24 mast-info@dg12.cec.be
Biotechnology *Cell factories; genome analysis; cell communications in neurosciences; immunology and vaccines; structural biology; biodiversity; social acceptance*	15.12.95/C337 15.6.96/C171 17.12.96/C381	3.96-7.98 (training) 11.96-7.98 (training) 3.97-9.98 (training)	588	XII	Mr Alfredo Aguilar +32-2-295.85.85 life-biotech@dg12.cec.be
Biomedicine and Health *Pharmaceuticals; biomedical technology & engineering; brain research; human genome research; public health; biomedical ethics*	17.1.95/C12	31.3.96-31.12.97 (fellowships)	358	XII	Mr Alain Vanvossel +32-2-295.53.65 alain.van-vossel@dg12.cec.be
Agriculture and Fisheries (FAIR) *Integrated production & processing chains; nutritious foods; agriculture, forestry & rural development; fisheries & aquaculture*	17.12.96/C381 ● SME/Craft ● fellowships 15.9.97	11.6.97 & 8.4.98 CONTINUOUS 15.12.97	646.5	XII	Mr Xabier Goenaga +32-2-296.43.22
Non-nuclear Energy (JOULE-THERMIE) *Strategy; rational energy use; renewable sources; fossils fuels; energy technology dissemination*	15.12.94/C357 15.6.96/C171 17.1.97/C18 15.9.97	17.12.97 (Demo) 9.96-7.98 (training) 6.5.97	1030	XII (R&D) XVII	Mr Michel Poireau (R&D): +32-2-295.06.56 Mr Wiepke Folkertsma (Demonstration): +32-2-295.05.77; info@dg17.cec.be
Nuclear fission safety *Innovative approaches; reactor safety & severe accidents; radioactive waste management disposal & decommissioning; impact on man & environment*	17.1.95/C12	1.11.97	170.5	XII	Radiation protection: +32-2-296.62.56 All other areas: +32-2-295.49.91
Targeted Socio-Economic Research (TSER) *Evaluation of science & technology policy options; education & training; social integration & exclusions*	17.6.97 (info on next call) (also Task Force, above)		112	XII	Mr Stephen Parker +32-2-296.21.37 tser-secr@dg12.cec.be
International Cooperation *Central & Eastern Europe; other industrialised countries; developing countries*	15.2.95/C38 15.4.97/C117	grants: 3.96 - 3.98 11.9.97 & 26.9.97	575	XII	Central/Eastern Europe +32-2-296.33.08 EEA, EUREKA +32-2-296.42.89 Developing countries +32-2-296.62.52 inco-desk@dg12.cec.be
Training & Mobility of researchers (TMR) *Research networks access to large-scale facilities; training through research; conference & summer schools*	15.3.97/C84 16.6.97 16.9.97 15.12.97	16.6.97 30.9.97 15.12.97 31.3.98	792	XII	Mr Jürgen Rosenbaum +32-2-296.90.29 tmr-info@dg12.cec.be

ACTS TRANSPORT and INNOVATION have no open calls, **INNOVATION** plans a call for June 17 1997

The table above shows the status of the main programmes that distribute R&D grants within the EU Fourth Framework Programme. The name of each programme (and acronym, if any) is on the left in bold type, with a brief list of its main research areas beneath.

The next column gives the date(s) on which the EU Official Journal has published a "call for proposals" for the programme, with the reference number of the journal. Dates without a reference number show when the future calls are scheduled.

The "due date" column gives the main deadline for submitting project proposals. Some Calls have different due dates for different activities. The total budget of the programme over five years is given in millions of Ecu, followed by the number of the directorate-general responsible for it.

Finally there is a contact name (where available) and fax number in Brussels or Luxembourg. For further information look for DG XII's pages on the EU's Europe web site: http://europa.eu.int/en/comm.html

DAEHAN SELECTIVE EQUITY TRUST

International Depositary Receipts
evidencing Beneficial Certificates
representing 1,000 Units

Notice is hereby given to the Unitholders that Daehan Investment Trust Co., Ltd. (the "Manager") has declared a distribution of Won 104,000 per IDR of 1,000 Units of Daehan Selective Equity Trust, coupon no.3, payable on or after April 25, 1997, in the Republic of Korea.

Payments will be made on or after May 2, 1997, in US dollars at one of the following offices of Morgan Guaranty Trust Company of New York:

- Brussels, 35 Avenue des Arts
- New York, 60 Wall Street
- London, 60 Victoria Embankment
- Frankfurt, 2-4 Boersenstrasse

The amount of Won shall be converted into dollars at the telegraphic transfer selling rate of dollars for Won as quoted by Korea Exchange Bank and agreed to by the Manager on the day on which the remittance is made by the Manager, and will be distributed to the Unitholders in proportion to their respective entitlements, after deduction of all taxes and charges of the Depositary.

Holders residing in a country having a double taxation treaty with the Republic of Korea may obtain payment of their coupons at a lower rate of the Korean non-resident withholding tax, on condition that they furnish either to the Depositary or through one of the aforementioned Agents a certificate showing their residence together with a copy of the Certificate of Incorporation, in the case of corporations, or a copy of the passport in the case of individuals. Those documents are requested by the Korean National Tax Administration Office as evidence of residence and without them the full rate of 27.50 pct Korean non-resident withholding tax will be retained.

Depositary: Morgan Guaranty Trust Company of New York,
35 Avenue des Arts, 1040 Brussels

JP Morgan

CONTRACTS & TENDERS

TENDER ANNOUNCEMENT
FROM
BOTAS PETROLEUM PIPELINE CORPORATION

BOTAS intends to open international bids for the construction of Erzurum-Sivas (Phase 1) and Sivas-Ankara (Phase 2) Natural Gas Pipeline Systems.

A - Phase 1 Erzurum-Sivas natural gas pipeline system shall have a diameter of 40" and an approximate length of 410 km.

B - Phase 2 Sivas-Ankara natural gas pipeline system, having a total approximate length of 465 km, shall consist of 40" pipeline of 161 km and 36" pipeline of 303 km.

- A separate international bid shall be opened for Phase 1 and Phase 2 construction project.

Line pipes shall be supplied by BOTAS.

The required pre-requisites for the companies participating in the bidding are as follows:

- Having completed the construction of steel pipelines of at least 50 km in total length at various diameters (10" or above).
- Having completed the construction of industrial plants and/or steel pipelines having a total cost of 20 million USD
- To have the work force, machinery and equipment in amounts necessary to construct the above-mentioned pipeline system(s).

The companies satisfying the above requirements can participate in the bidding individually or by forming a consortium. At least one of the consortium members or the consortium members all together have to satisfy these requirements in case of application as a consortium.

The tender bond for each of the pipeline systems is 3 Million USD.

The companies or consortiums which satisfy the above requirements shall be able to obtain the Tender Documents for the subject projects from the address underneath between 28 April - 07 May 1997 by paying 5000 USD for each project.

The final tender date is 25 June 1997 and the bids shall be opened in presence of the representatives of bidders.

BOTAS is not subject to Act No: 2886

ADDRESS:

BOTAS Petroleum Pipeline Corporation
Department of Engineering and Construction
Günes Sokak No: 5
06690 Güvenevler/ANKARA-TURKEY

LEGAL NOTICES

IN THE HIGH COURT NO 00930 OF 1997
IN THE MATTER OF
DEEZONE LIMITED
(formerly WILLIAM SHIPSTONE & COMPANY LIMITED)
AND IN THE MATTER OF THE
INSOLVENCY ACT 1986

Notice is hereby given that a meeting of creditors in the above matter is to be held at The Ramada Hotel, Blackfriars Street, Manchester, M3 2EQ on the 29th day of April 1997 at 15:00 hours, to consider my proposals under s.23(1) of the Insolvency Act 1986 and to consider establishing a creditors committee.

A proxy form is available which should be completed and returned to me by the date of the meeting if you cannot attend the meeting and wish to be represented. In order to be entitled to vote at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Dated 9 April 1997

PETER A LAWRENCE Joint Administrator

BARCLAYS BANK PLC

DM 350,000,000
Floating Rate Subordinated Notes
due 2006

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the three months from 17th April 1997 to 16th July 1997 inclusive, the Notes will bear interest at 3.45% per annum.
The interest amount payable per DM 10,000 will be DM 87.21 and per DM 100,000 will be DM 872.08 on 17th July 1997.

AGENT BANK:
BARCLAYS BANK PLC
BGSS DEPOSITORY SERVICES
8 ANGEL COURT
THROGMORTON STREET
LONDON EC2R 7HT

BARCLAYS

The Financial Times plans to publish a Survey on the

World Paint Industry

on Thursday, June 5

For further information, please contact:

Pat Looker

Tel: +44 161 834 9381 Fax: +44 161 832 9248

or your usual Financial Times representative

FT Surveys

CHASE

We've also defined the way we do business.

Chase. The right relationship is everything. (fact) **1.** the belief that whether it's an individual, small business, multinational firm or cross-border institutional investor, the client comes first. **2.** the belief that clients have unique needs. **3.** a belief in being proactive, setting new standards in financial services through consummate professionalism. **4.** the belief that these tenets are the essence of relationship. *(see relationship)*

CHASE. The right relationship is everything.™

©1997 The Chase Manhattan Corporation.

INTERNATIONAL CAPITAL MARKETS

Falling Treasuries drag down Europe

GOVERNMENT BONDS

By Samer Iskandar and Michael Lindemann

US Treasuries fell after the release of bearish economic data, dragging European bonds down in their wake.

At mid-session in New York, the 30-year long bond was down 11/32 at 93 22/32, its yield rising by 4 basis points to 7.12 per cent. The 10-year note lost 7/32 to 95 11/32, yielding 6.91 per cent, while at the short end of the maturity spectrum the two-year note was 1/16 lower at 99 5/16, its yield rising to 6.49 per cent.

The sell-off was sparked by stronger than expected industrial production and capacity utilisation figures. Industrial production rose 0.9 per cent in March, its strongest rise in a year, while capacity utilisation jumped to a two-year high of 84.3 per cent.

"The figures were extremely strong, and outweighed Tuesday's bullish inflation data. The market is increasingly focusing on economic growth data as an indication of future inflationary pressures, rather than past inflation data," said Mr Kirit Shah, market strategist at Sanwa International.

In Chicago, the June Treasury bond future dipped by more than half a percentage point to a low of 106 31/32, before recovering as traders took profits on short positions. At mid-day, the contract was down 11/32 at 107 5/32.

Mr Shah believes that although the market remains in a bearish mood, it is unlikely to dip below last year's lows, when the long bond's yield reached a high of almost 7.20 per cent. But he points out that upside potential is also limited. "Until we see data showing an economic slowdown, Treasuries are unlikely to rally to below 7 per cent [on the 30-year bond yield]," he said.

However, Mr Shah singled out the dollar's strength on the foreign exchange market as a supportive factor for Treasuries. "The currency's rally is attracting demand [for US bonds] from overseas investors," he said.

European markets ended lower, dragged down by a combination of profit-taking after Tuesday's gains and weakness in the US market. However, analysts said most markets remained fairly robust.

Italian BTPs proved their strength by barely reacting to an Italian newspaper report suggesting Germany and France had agreed a "secret deal" to keep Italy and Spain out of the planned single European currency.

"Usually such a report would have sent the Italian market down, but it just shrugged the report off," said Mr Huw Roberts, European bond strategist at NatWest Markets. The report, in the Milan-based newspaper Il Sole 24 Ore, was denied by officials in Rome, Bonn and Paris.

The June BTP future closed at 128.52, down 0.50, while in the cash market the 10-year yield spread over German bunds tightened by one basis point to 171 points.

Volume in Spanish bonos was light and the market was also pulled down by the US data. However, in an echo of the remarks about the Italian market, traders said the Spanish market had held up better than expected.

"Bonos were influenced only marginally by the US Treasuries' fall, and that's a very good sign," one dealer said.

The June bono future settled at 113.80, down 0.21.

German bunds were also affected negatively by the bearish US data. In London the June bund future ended at 100.64, down 0.23.

French OATs moved in a tight range. The June notional future closed unchanged at 129.02.

A host of unemployment, earnings and PSBR data drove UK gilts upwards initially, but the gains were wiped out by downward pressure from bunds and Treasuries. The June long gilt future closed at 109 11/16, down 1/16.

CAPITAL MARKETS DIGEST

Philippines bond launch postponed

The launch of the Philippines' inaugural century bond was postponed and the offering was set to be reduced from $750m to $500m yesterday, with the central bank and Salomon Brothers, the lead manager, citing poor market conditions.

The announcement was a serious blow to the central bank, which some critics accuse of having paid insufficient attention to the condition of the US and emerging capital markets in its determination to push through the high profile offering – which would have brought it considerable prestige. The Philippines would have been only the second emerging market, after China, to issue a sovereign century bond.

Senior central bank officials, including Mr Gabriel Singson, the governor, have been in the US since late last week to promote the launch, but bond analysts said demand from investors was below expectations. The offering was originally to be as high as $1.25bn. One investment banker yesterday described the pricing, which was to be set yesterday, as "wildly optimistic".

Mr Singson said in light of the sharp rise in interest rates on the US Treasury 30-year bonds and the widening of spreads asked by investors, the offering would be delayed until market conditions were appropriate.

"I have decided on this postponement because if we agree to a spread which will not be a substantial improvement over the last bond issue of the Philippine government, then we will not be achieving one of the principal objectives of the offering which is to establish benchmarks for maturity and interest spreads for Philippine borrowers," he said.

The postponement follows the recent decision by the Manila-based Asian Development Bank to delay its 10-year $1bn global bond, although Thailand last week managed to place a $600m Yankee bond despite its credit downgrading.

Justin Marozzi, Manila

Egypt loan oversubscribed

Egypt's Commercial International Bank has secured commitments of $254m for the first syndicated loan to an Egyptian private sector bank, more than doubling its $100m target. Twenty-nine banks have committed funds, which CIB has decided to limit to $200m, and will sign the loan agreement in London on April 30.

Of the banks, 17 are European, contributing 53 per cent of the funds, seven are from the Middle East, and have contributed 28 per cent, three are from Japan, contributing 11 per cent, and two are from the US, accounting for the remaining 8 per cent.

About one-third of the commitments will be available, if required, in sterling, D-Marks or Swiss francs, providing CIB with funding flexibility for foreign currency loan demands other than in dollars – with which Egypt is awash. The syndicated loan was deemed preferable to a securities issue because of the overall costing and the shorter time involved. The funds will be available by May 30.

Mark Huband, Cairo

GMAC offers $1bn of floating-rate notes

INTERNATIONAL BONDS

By Richard Lapper, Capital Markets Editor

A surge of floating-rate issuance was the highlight of a busy day in the international bond markets, with fears of another increase in US interest rates making investors more cautious about the fixed-rate sector.

Three of the seven deals, including the day's biggest – a $1bn issue by the General Motors Acceptance Corporation, the financing subsidiary of the motor vehicle group – were in dollars, reflecting the recent strength of the currency. But four of the issuers, all financial institutions, chose to raise money in European currencies.

Investor demand for the GMAC paper has been underpinned by the strength of recent earnings figures for the first quarter of 1997 and helped explain an increase in the size of the issue from an originally targeted $750m, according to dealers at Morgan Stanley and UBS, joint lead managers of the issue.

About 45 per cent of the deal, which was priced at 18 basis points over Libor, was placed in the US, an equal amount in Europe and about 10 per cent in Asia.

GMAC has raised some $2.9bn on the international bond markets this year in five different currencies, but this was its first international floating-rate note deal.

Other FRN issuers were **American Express, National Bank of New Zealand** and **Korea Development Bank.**

In the US market, another financial institution, **National Westminster Bank,** followed the example of Abbey National and Royal Bank of Scotland, by issuing perpetual subordinated debt. Its $500m bond issue, led by J.P. Morgan, can be counted as upper tier two capital for regulatory purposes. The bonds pay a fixed rate of interest of 7.768 per cent for the first 10.5 years, which then steps up to 145 basis points over Libor.

Elsewhere, Citibank launched a $200m deal for **Copamex**, the Mexican paper and pulp company, showing that despite the recent tightening in US monetary policy, investor demand for emerging market debt paper continues to be buoyant.

The deal was issued with so-called "reg rights", which means that it will be SEC-registered within six months. The seven-year deal was priced at 450 basis points over the equivalent US Treasury, a spread that narrowed to 442 bid/443 offer by early afternoon in New York. Pricing reflected the recent performance of Yankee bonds issued by Durango, a rival company.

These were issued at a price of 592 basis points last July but the spread has recently narrowed to 470 basis points bid, rising to 464 bid yesterday.

Some 65 per cent of the Copamex deal is understood to have been placed in the US, where a much broader base of investors, including mutual funds, insurance companies and money managers, has started to buy emerging market debt in the last two years.

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
US DOLLARS							
GMAC‡	1bn	(a)	99.761R	Apr 2002	0.225R	-	Morgan Stanley/UBS
Amex Credit Corp‡	400	(b)	99.782R	May 2002	0.175R	-	Goldman Sachs Intl
NBNZ Intl(HK Branch)‡	250	(c)	99.945R	May 2000	0.125R	-	Merrill Lynch Intl
IBM International Finance	250	6.75	99.738R	May 2000	0.20R	-	SBC Warburg
Copamex Industrias(d)	200	11¾#	99.901R	May 2004	1.125R	+450(5¾%-04)	Citibank International
Banco Credibanco	50	8.50#	100.00R	Apr 2000	0.50R	+190(5¾%-00)	Deutsche Morgan Grenfell
D-MARKS							
Daimler-Benz(e)§	1bn	5.75#	(e)	Jun 2002	-	-	Deutsche/Goldman Sachs
Korea Development Bank‡	500	(f)	100.00	May 2001	0.20	-	Dresdner-KB
Household Bank Nevada‡	300	(g)	99.838R	Apr 2002	0.175R	-	ABN Amro/Merrill Lynch
Bank für Arbeit & Wirtschaft	300	4.625	99.775R	May 2001	0.225R	+27(5%May01)	Bayerische Landesbank
SCA Group Holding(h)(i)§	200	(2.50)	(h)	Jul 2002	2.50	-	CSFB
UBS Finance(j)	100	2.50	92.225R	Oct 2001	0.25R	+4(5%May01)	UBS Germany
Merrill Lynch Intl & Co(k)	100	zero	100.00	May 2001	2.30	-	Merrill Lynch Cap Mkts
YEN							
SBAB(m)+	10bn	6.00#	100.00	Apr 1998	1.55	-	Wako International
SWISS FRANCS							
LB Rheinland-Pfalz‡	100	(n)	100.00R	May 2007	0.375R	-	Bank Morgan Stanley
ITALIAN LIRE							
Morgan Stanley Intl‡	250bn	(o)	99.95R	Apr 1999	0.15R	-	Credito Italiano
CANADIAN DOLLARS							
Bayerische Hypo(s)	100	5.00	98.86R	Dec 1999	0.1875R	+15(6¼%Aug99)	Toronto Dominion Bank
AUSTRALIAN DOLLARS							
LKB Baden-Wuerttemberg	100	7.00	101.325	May 2000	1.50	-	Barclays de Zoete Wedd

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. +Unlisted. §Convertible. ‡ Floating-rate note. #Semi-annual coupon. R: fixed re-offer price; fees shown at re-offer level. a) 3-mth Libor +⅛%. b) 3-mth Libor -5bp. c) 3-mth Libor flat. d) Callable on 30/4/02 at 105¾% & 30/4/03 at 102.8125%. e) Mandatory convertible with shareholders pre-emption rights (1:68). Fixing: 6/5/97. f) 3-mth Libor +15bp g) 3-mth Libor +⅛%. h) Exchangeable into Industrivarden A shares at indicated premium of 12-16%. Fixed today. Callable after 2 yrs subject to 130% hurdle. j) Fungible with DM250m. Plus 187 days accrued. k) Redemption linked to ML East European 4 index. Puttable from 21/5/99 at index value. l) Long 1st coupon. m) Redemption linked to Y/$. n) 5% to 7/5/02, then 10% - 2 x 6-mth Libor. o) 3-mth Libor -5bp. s) Short 1st coupon.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		8.750	11/06	92.8750	+0.770	7.82	7.98	7.82
Austria		5.750	04/07	99.0100	−0.180	5.88	5.81	5.65
Belgium		6.250	03/07	102.0900	−0.160	5.96	6.00	5.74
Canada *		7.000	12/06	101.2800	−0.140	6.81	6.81	6.46
Denmark		8.000	03/06	109.4600	−0.240	6.56	6.60	6.33
France	BTAN	4.750	03/02	102.9129	−0.040	4.77	4.79	4.48
	OAT	5.500	04/07	98.4000	−0.140	5.71	5.78	5.49
Germany Bund		6.000	01/07	101.0500	−0.190	5.85	5.89	5.66
Ireland		8.000	08/06	108.7000	−0.200	6.71	6.81	6.59
Italy		6.750	02/07	95.3700	−0.150	7.42†	7.51	7.48
Japan	No 143	6.300	09/01	120.3792	+0.080	1.41	1.40	1.37
	No 182	3.000	09/05	106.0611	+0.110	2.15	2.12	2.41
Netherlands		5.750	02/07	99.9200	−0.200	5.76	5.80	5.41
Portugal		9.500	02/06	117.9850	+0.030	6.73	6.77	6.70
Spain		7.350	03/07	103.7200	−0.270	6.82	6.85	7.01
Sweden		8.000	08/07	105.8511	−0.370	7.17	7.13	6.86
UK Gilts		7.000	06/02	99-00	−2/32	7.24	7.27	6.86
		7.250	12/07	97-29	−2/32	7.54	7.60	7.30
		9.000	10/08	110-13	−2/32	7.63	7.69	7.39
US Treasury *		6.250	02/07	95-09	−8/32	6.92	6.89	6.61
		6.625	02/27	93-25	−16/32	7.13	7.10	6.87
ECU (French Govt)		7.000	04/06	106.2300	−0.120	6.08	6.14	5.96

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal *Source: MMS International*

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
Prime rate	8½	One month	-	Two year	6.47
Broker loan rate	7¼	Two month	-	Three year	6.63
Fed.funds	5⅝	Three month	5.30	Five year	6.80
Fed.funds at intervention	5½	Six month	5.63	10-year	6.91
		One year	5.98	30-year	7.12

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	129.12	129.02	-	129.34	128.90	8,796	162,638
Sep	127.50	127.38	-	127.50	127.42	450	5,363
Dec	97.14	97.02	-	97.14	97.14	2	-

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS May	CALLS Jun	CALLS Sep	PUTS May	PUTS Jun	PUTS Sep
127	2.04	2.24	1.68	0.02	0.23	1.31
128	1.09	1.46	1.16	0.07	0.44	1.77
129	0.34	0.82	0.76	0.32	0.80	2.36
130	0.04	0.39	0.47	1.02	1.37	-
131	0.01	0.15	0.29	1.99	2.12	-

Est. vol. total, Calls 20,349 Puts 26,505. Previous day's open int., Calls 127,411 Puts 144,244.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	100.83	100.64	-0.23	101.02	100.53	225993	264970
Sep	99.80	99.63	-0.22	99.84	99.64	426	7281

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS May	CALLS Jun	CALLS Jul	CALLS Sep	PUTS May	PUTS Jun	PUTS Jul	PUTS Sep
10050	0.40	0.77	0.57	0.90	0.26	0.63	1.44	1.77
10100	0.18	0.52	0.40	0.70	0.54	0.88	1.77	2.07
10150	0.07	0.33	0.27	0.53	0.93	1.19	2.14	2.40

Est. vol. total, Calls 23334 Puts 34666. Previous day's open int., Calls 237970 Puts 266832

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	129.02	128.52	-0.50	129.02	128.26	49640	106545
Sep	128.60	128.53	-0.44	128.70	128.30	450	4238

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
12850	1.25	2.31	1.23	2.28
12900	0.98	2.05	1.46	2.52
12950	0.76	1.82	1.74	2.79

Est. vol. total, Calls 3729 Puts 1644. Previous day's open int., Calls 106427 Puts 118327

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	114.05	113.79	−0.21	114.05	113.50	78,344	74,072
Sep	-	112.98	-	-	-	-	3

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	109-23	109-22	-0-02	109-30	109-16	53352	170079
Sep	109-15	109-17	-0-02	109-15	109-15	40	2635

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS May	CALLS Jun	CALLS Jul	CALLS Sep	PUTS May	PUTS Jun	PUTS Jul	PUTS Sep
109	0-57	1-29	1-45	2-17	0-13	0-49	1-11	1-47
110	0-19	0-56	1-11	1-49	0-39	1-14	1-41	2-15
111	0-04	0-33	0-50	1-21	1-24	1-53	2-16	2-51

Est. vol. total, Calls 2767 Puts 2456. Previous day's open int., Calls 71847 Puts 38114

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	94.96	94.76	+0.04	94.96	94.60	1,162	6,372

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	107-22	106-31	−0-21	107-23	106-31	437,471	445,126
Sep	107-03	106-17	−0-21	107-06	106-17	1,032	35,229
Dec	106-13	106-08	−0-17	106-13	106-08	122	6,234

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Jun	126.86		·	126.87	126.47	3347	n/a
Sep	125.58			125.58	125.58	4	n/a

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FTSE Actuaries Govt. Securities

Price Indices UK Gilts	Wed Apr 16	Day's change %	Tue Apr 15	Accrued interest	xd adj. ytd
1 Up to 5 years (19)	120.20	−0.02	120.22	2.48	3.40
2 5-15 years (21)	149.36	−0.04	149.65	2.80	3.12
3 Over 15 years (6)	170.11	−0.04	170.18	4.89	3.16
4 Irredeemables (5)	195.33	1.21	192.99	4.10	2.37
5 All stocks (51)	143.92	−0.03	144.05	3.08	3.30
Index-linked					
6 Up to 5 years (2)	204.07	0.02	204.02	1.10	2.16
7 Over 5 years (10)	195.20	0.04	195.13	1.19	2.32
8 All stocks (12)	195.08	0.04	195.01	1.17	2.28

UK Indices

	Low coupon yield Apr 16	Low Apr 15	Low Yr. ago	Medium coupon yield Apr 16	Medium Apr 15	Medium Yr. ago	High coupon yield Apr 16	High Apr 15	High Yr. ago
5 yrs	7.27	7.25	7.64	7.32	7.31	7.66	7.37	7.36	7.77
15 yrs	7.68	7.68	8.26	7.68	7.67	8.28	7.55	7.54	8.37
20 yrs	7.75	7.78	8.32	7.71	7.71	8.32	7.55	7.54	8.40
Irred.†	7.81	7.91	8.38						

	Inflation 5% Apr 16	Apr 15	Yr. ago	Inflation 10% Apr 16	Apr 15	Yr. ago
Up to 5 yrs	3.35	3.35	2.99	2.67	2.66	1.73
Over 5 yrs	3.63	3.63	3.73	3.44	3.44	3.54

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date

FT Fixed Interest Indices

	Apr 16	Apr 15	Apr 14	Apr 11	Apr 10	Yr ago	High*	Low*
Govt. Secs. (UK)	94.03	94.01	93.64	93.46	93.60	92.19	96.62	93.31
Fixed Interest	116.87	116.58	116.41	116.47	116.63	111.63	120.18	115.32

Gilt Edged Activity Indices

	Apr 15	Apr 14	Apr 11	Apr 10	Apr 9
Gilt Edged bargains	NA	NA	NA	13.0	17.9
5-day average	NA	NA	NA	18.6	25.5

© FTSE International Ltd 1997. All rights reserved. * for 1997. Government Securities high since compilation: 127.40 (09/01/35), low 49.18 (03/01/75). Fixed interest high since compilation: 133.87 (21/01/94), low 50.53 (03/01/75). Basis 100: Government Securities 15/10/26 and Fixed interest 1928. SE activity indices rebased 1974.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on April 16

	Issued	Bid	Offer	Chg	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	96½	96¾		7.23
ABN Amro Bank 7¼ 05	1000	98⅝	98¾	-⅛	7.62
African Dev Bk 7¾ 23	*500*	95⅞	96⅜	-½	7.75
Alberta Province 7⅝ 98	1000	101⅜	101½	+⅛	6.62
Argentina 11⅜ 17	2000	102¾	103⅛	-⅛	11.02
Asian Dev Bank 6¼ 05	750	94½	94¾	-⅛	7.25
Austria 8½ 00	400	103⅞	104⅛	-⅛	6.90
Baden-Wuert L-Fin 8⅛ 00	1000	102⅞	103⅛	-⅛	6.93
Bancomext 7¼ 04	1000	92⅛	92⅝	-¼	9.01
Bank Ned Gemeenten 7 99	1000	100⅜	100⅝		6.80
Bayer Vereinsbk 8⅛ 00	500	102⅞	103	-⅛	6.93
Belgium 5½ 03	1000	91⅞	92⅛	-⅛	7.08
British Columbia 7¾ 02	500	102⅜	102⅝		7.17
British Gas 0 21	1500	14⅝	14⅞	-⅛	8.15
Canada 6⅜ 05	1500	95½	95⅝	-¼	7.23
Cheung Kong Fin 5½ 98	500	97⅝	97¾		7.24
China 6½ 04	1000	94⅜	94⅞		7.71
Credit Foncier 9½ 99	300	104⅝	104¾		6.74
East Japan Railway 6⅝ 04	600	95	95¼		7.38
EIB 6 04	500	94⅝	95		7.01
Ex-Im Bank Japan 8 02	500	103⅝	103⅞	-⅛	7.12
Export Dev Corp 9½ 98	150	103¼	103½		6.64
Exxon Capital 0 04	1800	59¾	60¼	-⅛	7.03
Fed Home Loan 7⅛ 99	1500	101	101¼		6.74
Federal Natl Mort 7.40 04	1500	101¾	102	-⅛	7.21
Finland 7⅞ 04	1500	104¼	104½	-⅛	7.26
Ford Motor Credit 6½ 02	1250	97⅛	97¼	-⅛	7.34
General Mills 0 13	1000	25	25½	-¼	8.86
INI Finance 5¼ 98	650	97¾	98	-⅛	6.71
Inter-Amer Dev 6⅛ 06	1000	93⅝	93¾	-⅛	7.23
Inter-Amer Dev 7½ 05	500	101⅜	101⅝		7.27
Intl Finance 5¼ 99	500	97⅞	98⅛		6.58
Italy 6 03	2000	94¾	94⅞	-⅛	7.15
Italy 6⅞ 23	3500	90⅛	90⅜	-⅛	7.91
Japan Dev Bk 8⅜ 01	500	104⅜	104⅝	-⅛	7.02
Korea Elec Power 6⅜ 03	1350	93⅝	94	-⅛	7.76
Matsushita Elec 7¼ 02	1000	100⅝	100⅞	+⅛	7.23
Mexico 9⅞ 07	1000	103⅞	104⅜	-¼	9.47
Minfin Russia 9¼ 01	1000	97⅝	97⅞	-⅛	10.14
Ontario 7⅜ 03	3000	101	101¼	-⅛	7.29
Ontario 7¾ 02	2000	102¾	103	-⅛	7.22
Oster Kontrollbank 8½ 01	200	104⅞	105⅛	-⅛	7.02
Portugal 5¾ 03	1000	93½	93¾		7.14
Quebec Hydro 9¾ 98	150	103¾	104	-⅛	6.89
SAS 10 99	200	105	105⅜		7.02
SNCF 9½ 98	150	103¼	103½	-⅛	6.66
Spain 6½ 99	1500	99⅝	99¾	-⅛	6.65
Sweden 6½ 03	2000	98	98⅛		7.04
Tennessee Valley 6 00	1000	97½	97⅝	-⅛	6.92
Tennessee Valley 6⅜ 05	2000	95½	95⅝	-⅛	7.24
Tokyo Elec Power 6⅛ 03	1000	95½	95¾		7.03
United Kingdom 6¾ 01	2000	100⅛	100¼	-⅛	6.70
United Kingdom 7¼ 02	3000	101⅞	102	-¼	6.83
Walt Disney 6⅜ 01	1300	97¾	97⅞		7.16
World Bank 6⅜ 05	1500	95⅜	95¾	-¼	7.21
World Bank 8⅜ 99	1500	104⅝	104¾	+⅛	6.41
DEUTSCHE MARK STRAIGHTS					
Austria 6½ 24	2000	97	97⅛	-⅛	6.74
Baden-Wuert L-Finance 6 99	2000	104¼	104⅜	+⅛	3.82
Credit Foncier 7¼ 03	2000	108⅛	108⅜	+⅛	5.58
Denmark 6⅛ 98	2000	102½	102⅝		3.53
Depfa Finance 6⅜ 03	1500	104½	104⅝		5.52
Deutche Bk Fin 7½ 03	2000	109¾	110		5.49
Deutsche Finance 5¾ 04	2500	101½	101¾		5.48
EEC 6½ 00	2800	106¼	106⅜		4.16
EIB 6¼ 00	1500	105⅝	105⅞		4.20
Finland 7½ 00	3000	108⅝	108⅞	+⅛	4.14
KFW Intl Finance 6¼ 03	2250	104⅝	104¾		5.36
LKB Baden-Wuert 6½ 08	2250	103	103¼	-⅛	6.12
Norway 6⅛ 98	1500	102⅝	102¾	-⅛	3.54
Ontario 6¼ 04	1500	103½	103¾		5.61
Spain 7¼ 03	4000	109⅞	110	+⅛	5.25
Volkswagen Intl Fin 7 03	1000	107⅜	107⅝		5.54
World Bank 5⅞ 03	3000	103½	103⅝	+⅛	5.23
World Bank 6⅛ 02	3000	105⅝	105¾	+⅛	5.02
World Bank 7⅛ 05	3000	109⅛	109¼	-⅛	5.67
SWISS FRANC STRAIGHTS					
Asian Dev Bank 0 16	500	41¼	41¾		4.82
Austria 4½ 00	1000	105⅝	106	+⅛	2.41
Denmark 4¼ 99	1000	104¾	104⅞		2.24
EIB 3¾ 99	1000	103⅛	103⅜		1.95
EIB 6¾ 04	300	115¼	115¾		4.32
Finland 7¼ 99	300	111⅛	111½	-⅛	2.55
Helaba Finance 3¾ 00	1000	104¼	104½		2.53
Iceland 7⅜ 00	100	114¾	115¼	-½	3.00
Inter Amer Dev 4¾ 03	600	107¼	108		3.45
Ontario 6¼ 03	400	114½	115¼	+¼	3.44
Quebec Hydro 5 08	100	103	104⅜		4.64
SNCF 7 04	450	119⅞	120½		3.86
Sweden 4¾ 03	500	107¼	107¾	-⅛	3.45
World Bank 0 21	700	31⅛	31¾		4.86
World Bank 7 01	600	114⅞	115¼		2.90
YEN STRAIGHTS					
Belgium 5 99	75000	110⅜	110⅝	+⅛	1.04
Credit Foncier 4¾ 02	75000	113⅞	114⅛		1.97
EIB 6⅝ 00	100000	115¾	116		1.10
Ex-Im Bank Japan 4⅜ 03	105000	114¾	115		1.92
Fed Nat Mort 2 99	100000	102½	102¾	-½	1.05
Inter Amer Dev 7¼ 00	30000	118⅜	118⅝	-⅛	1.14
Italy 3½ 01	300000	108⅛	108¼	+⅛	1.49
Italy 5 04	200000	119	119¼	-⅛	2.27
Japan Dev Bk 5 99	100000	109⅝	109⅞		0.98
Japan Dev Bk 6½ 01	120000	121⅝	121⅞		1.42
SNCF 6¾ 00	30000	116	116⅛	+⅛	1.07
Spain 5¾ 02	125000	119⅜	119⅝		1.63
World Bank 5¼ 02	250000	117¾	117⅞		1.50
OTHER STRAIGHTS					
EBRD 14¼ 98 Fl	250	99⅛	100⅛	+⅛	15.34
World Bank 15 99 Fl	500	100¾	101¾		14.41
Austria 6½ 99 Fl	1000	105⅝	105¾		3.61
PTT Nederland 6½ 08 Fl	1300	104⅛	104¼		5.90
Bell Canada 10⅝ 99 C$	150	110	110¼		5.73
British Columbia 7¾ 03 C$	1250	105⅞	106⅛		6.68
Canada Mtg & Hsg 8¼ 99 C$	1000	105⅞	106		5.58
Elec de France 9¾ 99 C$	275	108⅞	109¼		5.65
KfW Int Fin 10 01 C$	400	112¼	112¾	-¼	6.34
Nippon Tel Tel 10¼ 99 C$	200	110⅛	110⅜		5.77
Ontario 8 03 C$	1500	106⅝	107	-⅛	6.73
Ontario Hydro 9 02 C$	2000	110¾	111⅛	-⅛	6.63
Ontario Hydro 10⅞ 99 C$	500	110	110¼		5.34
Oster Kontrollbank 10¼ 99 C$	150	109⅝	109⅞	-⅛	5.61
Quebec Hydro 7 04 C$	1000	100¾	101	+⅛	6.98
Quebec Prov 10½ 98 C$	200	107¾	108⅛	-⅛	5.34
Council Europe 9 01 Ecu	1100	114¾	115	+⅛	5.28
Credit Foncier 8¾ 04 Ecu	1000	111⅞	112⅛	+⅛	6.23
Denmark 8½ 02 Ecu	1000	113⅜	113⅞	-⅛	5.39
EC 6 00 Ecu	1100	103⅞	104¼	+⅛	4.78
EIB 10 01 Ecu	1150	116⅞	117⅛		4.97
Finland 8½ 07 Ecu	750	115½	115¾	+⅛	6.33
Italy 9¼ 11 Ecu	2500	122⅞	123¼	+¼	6.67
Italy 10¾ 00 Ecu	1000	116	116⅜		4.80
United Kingdom 9⅛ 01 Ecu	2750	114¼	114⅜	+⅛	4.98
AIDC 10 99 A$	100	105⅞	106¼	+⅛	6.98
Comm Bk Australia 13¾ 99 A$	100	114	114⅜	-¼	7.21
EIB 7¾ 99 A$	350	103¼	103⅝	+¼	6.33
Nat Australia Bank 6¼ 99 A$	250	99¼	99⅝	-⅛	6.67
NSW Treasury Zero 0 20 A$	1000	15	15⅝	+⅛	8.37
R & I Bank 7¾ 03 A$	125	100⅝	101	+¼	7.61
State Bk NSW 9 02 A$	300	105½	105⅞	+¼	7.70
Sth Aust Govt Fin 9 02 A$	150	105¼	105⅝	+⅛	7.76
Western Aust Treas 7⅜ 98 A$	100	101¼	101⅝		6.38
Abbey Natl Treasury 8 03 £	1000	100⅞	101	+¼	7.81
British Land 8⅞ 23 £	150	100¼	100⅜		9.06
Denmark 6¾ 98 £	800	99¾	99⅞		6.91
Depfa Finance 7⅞ 03 £	500	96⅛	96⅜	+⅛	7.89
EIB 8 03 £	1000	102	102⅛	+⅛	7.57
Finland 7 00 £	500	99⅛	99⅜		7.27
Glaxo Wellcome 8¾ 05 £	500	104	104¼	+¼	8.08
HSBC Holdings 11.69 02 £	153	115⅛	115½		8.04
Italy 10½ 14 £	400	120⅝	120⅞	-¼	8.21
Japan Dev Bk 7 00 £	200	99	99¼		7.31
Land Secs 9½ 07 £	200	108¼	108½	+½	8.28
Ontario 11⅛ 01 £	100	111	111¼		7.68
Powergen 8⅞ 03 £	250	103⅝	103⅞		8.08
Severn Trent 11½ 99 £	150	108	108¼		7.45
Tokyo Elec Power 11 01 £	150	111¼	111⅝		7.71
TCNZ Fin 9¼ 02 NZ$	75	102⅞	103⅜	+¼	8.53
World Bank 9 99 NZ$	250	101½	101⅞	+¼	8.20
Credit Local 6 01 FFr	8000	104⅝	104⅞	-⅛	4.84
Denmark 5½ 99 FFr	7000	103⅜	103⅝	-¼	4.08
Elec de France 8¾ 22 FFr	3000	125⅜	125¾	-⅛	6.84

FLOATING RATE NOTES

	Issued	Bid	Offer	C.cpn
Abbey Natl Treasury -1/16 99	1000	99.91	99.97	5.5000
Argentaria Global Fin 0 01	700	99.67	99.75	5.5469
Cades -1/16 01	2000	99.59	99.64	5.3750
Canada -¼ 99	2000	99.76	99.82	5.2539
CCCE 0 06 Ecu	200	99.74	99.98	4.1328
Commerzbk O/S Fin -⅛ 98	750	99.82	99.88	5.3750
Credit Lyonnais 1/16 00	300	98.29	98.90	5.7500
Dresdner Finance 1/16 98 DM	1000	99.99	100.09	3.1875
Fed Nat Mort -3/16 00	1000	99.77	99.84	5.3672
Finland -⅛ 99	1500	99.97	100.03	5.4375
Halifax BS 0 99	500	100.03	100.11	5.5625
IMI Bank Intl ¼ 99	500	100.34	100.44	5.7500
Italy 1/16 99	1500	100.40	100.47	5.6250
Italy ⅛ 98 Ecu	1500	100.15	100.22	4.2461
LKB Baden-Wuert Fin -⅛ 98	1000	99.92	99.97	5.4375
Lloyds Bank Perp S 0.10	600	88.63	89.94	5.6938
Malaysia 1/16 05	650	99.83	99.90	6.0625
Nova Scotia 3/16 99	500	99.97	100.06	5.6992
Ontario 0 99	2000	100.08	100.15	5.4961
Portugal 1/16 99 DM	2500	100.28	100.34	3.3086
Quebec Hydro 0 99	500	99.79	99.89	5.3164
Renfe 0 98	500	99.85	100.00	5.4375
Spain -1/16 02 DM	3000	100.05	100.11	3.1875
State Bk Victoria 0.05 99	125	99.98	100.12	5.7219
Sweden -⅛ 01	2000	99.96	100.03	5.3867
United Kingdom -⅛ 01	2000	99.87	99.92	5.5625

CONVERTIBLE BONDS

	Issued	Conv. Price	Bid	Offer	Prem.
Allied-Lyons 6¾ 08 £	200	6.04	95½	96½	+32.15
Deutsche Finance 0 17	1300	131.7	43⅝	44	-54.02
Fuji Intl Finance ¼ 02 Y	210000		89¼	90⅛	
Gold Kalgoorlie 7½ 00	65				
Grand Metropolitan 6½ 00	710	4.37	118	119	+0.83
Hong Kong Land 4 01	410	31.05	88	89	-11.57
Land Secs 6¾ 02 £	84	6.72	113¼	115¼	-2.69
Lasmo 7¾ 05 £	90	5.64	95¼	96½	
MBL Intl Fin 3 02	2000	22	99⅛	100	-6.71
Mitsui Bank 2⅝ 03	200	2332.6	79½	81½	
Pennzoil 4¾ 03	500	58.8087	113	114	+3.83
Sandoz Capital 2 02	750				
Sappi BVI Finance 7½ 02	250	78	92¾	93¾	
Sapporo 1⅜ 00 Y	40000	1059.4	99⅝	100⅝	+26.55
Sumitomo Bank 3⅛ 04	300	3606.9	89	90	
Sun Alliance 7¼ 08 £	155	3.9	115⅜	116⅝	+22.61
Transatlantic Hldgs 5½ 09 £	250	5.08	95⅛	96⅝	+6.11

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (‡three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd., 1997. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by International Securities Market Association.

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or −	52 week High	52 week Low
Shorts* (Lives up to Five Years)						
Treas Cnv 7pc 1997‡‡	6.98	6.17	100 7/32	—	101 5/32	100 1/16
Treas 8¾pc 1997‡‡	8.67	6.20	100⅞	—	107 13/32	100⅝
Exch 15pc 1997	14.35	6.26	104½	+1/32	114⅞	102 11/32
Exch 9¾pc 1998	9.52	6.47	102 13/32	+1/32	106 15/32	100 1/16
Treas 7¼pc 1998‡‡	7.21	6.55	100 19/32	−1/32	109 13/32	100 7/16
Treas 15½pc '98‡‡	13.85	6.74	111 19/32	—	122 13/32	111 11/32
Exch 12pc 1998	11.14	6.78	107 23/32	−1/16	114 7/32	107 15/16
Treas 9½pc 1999‡‡	9.11	6.83	104 5/32	−1/32	108⅛	97 13/32
Treas Flg Rate 1999‡‡	-	-	100¼	—	100 7/32	99⅞
Exch 12¼pc 1999	11.18	6.92	109 17/32	−1/32	116⅛	109 1/32
Treas 10½pc 1999	9.83	6.87	106 25/32	−⅛	111 13/32	106 13/32
Treas 6pc 1999‡‡	6.11	6.99	98 7/32	−1/32	99⅛	96 1/16
Conversion 10¼pc 1999	9.53	7.04	107 17/32	−1/16	118 13/32	106 5/32
Conv 9pc 2000‡‡	8.58	7.08	104 13/32	—	108 5/32	103 13/32
Treas 13pc 2000	11.14	7.16	116 21/32	—	123 13/32	116 5/16
Treas 14pc 1998-1	13.00	6.85	107 23/32	+1/32	116 13/32	107 21/32
Treas 8pc 2000‡‡	7.79	7.14	102 23/32	−1/32	104 15/32	101⅝
Treas Flg Rate 2001	5.87	-	100 11/32	+1/32	100 7/16	99¾
Treas 10pc 2001	9.18	7.23	109⅛	−1/32	113¼	106 13/32
Treas 7pc 2001‡‡	7.07	7.24	99 1/16	−1/32	101¼	98 11/32
Five to Fifteen Years						
Treas 7pc 2002‡‡	7.07	7.23	98 31/32	−⅛	101 5/16	97 13/32
Treas 9¾pc 2002	8.83	7.34	110 7/16	−⅛	122¼	108⅞
Treas 8pc 2003‡‡	7.76	7.35	103⅛	−3/32	105 13/32	100 1/16
Treas 10pc 2003	8.86	7.42	112⅞	−3/32	116 5/32	110⅝
Treas 11½pc 2001-4	10.08	7.26	114 3/32	−1/32	121⅝	113 13/32
Funding 3½pc 1999-4	4.15	6.20	84 13/32	+1/16	86 13/32	79⅛
Conversion 9½pc 2004	8.52	7.45	111 5/16xd	−1/16	114 13/32	107 13/32
Treas 6¾pc 2004‡‡	7.02	7.41	96 3/32	−3/32	98 15/32	91 13/32
Conv 9½pc 2005	8.50	7.51	111 13/32xd	−3/32	122 13/32	108 5/16
Treas 12½pc 2003-5	9.97	7.43	126	−3/32	130 13/32	123 13/32
Treas 8½pc 2005‡‡	8.01	7.51	106⅛	−3/32	109⅝	101⅞
Treas 7½pc 2006‡‡	7.53	7.54	99 21/32	−⅛	103 5/32	94 13/32
Treas 7¾pc 2006‡‡	7.67	7.57	101 1/32	−⅛	107¼	96 3/32
Treas 8pc 2002-6‡‡	7.88	7.51	101 17/32	+1/32	104 7/32	98⅞
Treas 11¾pc 2003-7	9.80	7.43	119 31/32	−3/32	124 7/32	115⅛
Treas 8½pc 2007‡‡	7.98	7.58	106 13/32	−⅛	110 13/32	101 1/32
Treas 7 1/4pc 2007‡‡	7.41	7.53	97⅞	−⅛	102 13/32	96⅝
Treas 9pc 2008‡‡	8.15	7.62	110⅜	−⅛	114 13/32	103 11/32
Treas 8pc 2009	7.80	7.66	102 9/32	+13/32	106 13/32	97
Treas 6 1/4pc 2010‡‡	7.12	7.71	87 23/32	−1/32	91½	81 13/32
Conv 9pc Ln 2011‡‡	8.10	7.69	111⅛	−3/32	115 23/32	104 13/32
Over Fifteen Years						
Treas 9pc 2012‡‡	8.07	7.70	111½	−⅛	116 5/16	104⅞
Treas 5½pc 2008-12‡‡	6.70	7.47	82 3/32	+13/32	85 13/32	75⅞
Treas 8pc 2013‡‡	7.79	7.71	102 21/32	−1/16	107 5/16	95 21/32
Treas 7¾pc 2012-15‡‡	7.73	7.72	100 9/32	+3/16	104 13/32	93 13/32
Treas 8pc 2015‡‡	7.76	7.66	103 1/32	−1/16	107 13/32	95 11/32
Treas 8¾pc 2017‡‡	7.93	7.73	110 11/32	−3/32	115 13/32	102½
Treas 8pc 2021‡‡	7.79	7.66	103 7/16	−3/32	108 5/16	95 13/32
Undated						
Consols 4pc	8.02	-	49 13/32	−1/16	54 3/32	46⅛
War Loan 3½pc‡‡	7.75	-	45 5/32	+¼	47 13/32	41 5/16
Conv 3½pc '61 Aft	5.64	-	62 3/32	+½	64 11/16	58 5/16
Treas 3pc '66 Aft	8.07	-	37 3/32	—	39 7/32	34 3/32
Consols 2½pc	7.73	-	32 11/32	+⅛	34 3/32	29⅝
Treas. 2½pc	7.93	-	31 13/32	+¼	33 3/32	29⅛

Notes	Yield (1)	Yield (2)	Price £	+ or −	52 week High	52 week Low
Index-Linked (b)						
4⅝pc '98‡‡ (135.6)	-	2.29	114 1/32	—	114⅜	112 7/32
2½pc '01 (78.3)	2.81	3.40	185 11/32	+1/32	187 13/32	178 1/32
2½pc '03 (78.8)	3.06	3.48	181 11/16	+1/32	184 3/32	173 13/32
4⅜pc '04‡‡ (135.6)	3.12	3.49	117 23/32xd	—	120 1/16	113 13/32
2pc '06 (69.5)	3.26	3.54	191 3/16	+3/32	195 13/32	181¼
2½pc '09 (78.8)	3.35	3.58	171 13/16	+1/16	176 5/16	162 13/32
2½pc '11 (74.6)	3.39	3.60	177 13/16	+1/16	183 1/16	167 13/16
2½pc '13 (89.2)	3.43	3.61	148 13/16	+1/32	150 13/16	137⅝
2½pc '16 (81.6)	3.47	3.64	155 13/32	+1/16	161 5/16	146⅛
2½pc '20 (83.0)	3.54	3.69	149	+3/32	154 3/16	139¼
2½pc '24‡‡ (97.7)	3.58	3.68	123 13/16	—	128 13/16	115⅞
4⅛pc '30‡‡ (135.1)	3.55	3.68	121 1/16	—	126⅝	114 5/16

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for July 1996: 152.4 and for February 1997: 155.0.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or −	52 week High	52 week Low
Asian Dev 10¼pc 2009	8.79	8.05	116⅝	—	122⅛	111 13/16
B'ham 11½pc 2012	9.02	8.35	127½xd	—	132½	119½
Leeds 13½pc 2006	10.11	-	133½	—	137½	129
Liverpool 3½pc Irred	8.75	-	40	—	43	37½
LCC 3pc '20 Aft	8.57	-	35	—	38	32½
Manchester 11½pc 2007	9.38	8.25	122½xd	—	127½	117
Met. Wtr. 3pc 'B'	3.75	7.00	80	—	82	74
N'wide Anglia 3⅞pc 2021	-	4.22	144⅞	—	147¾	133
4⅛pc IL 2024	-	4.34	139⅝	—	142 13/16	132
Utd Mex States 16½pc 2008	12.50	-	132	—	135½	122

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock. Prospective real Index-Linked redemption yields are calculated by HSBC Greenwell from Bank of England closing prices.

CURRENCIES AND MONEY

Mr Yen's threats damage the dollar

MARKETS REPORT

By Simon Kuper

The dollar dropped against the yen and D-Mark yesterday after a Japanese official said the US shared Tokyo's concerns over the weak yen.

Mr Eisuke Sakakibara, the senior ministry of finance official known in the market as "Mr Yen", said recent moves in the yen were excessive, and added: "The US Treasury shares this concern." He said Japan would intervene to weaken the dollar "when we think we can win". Currency strategists took this to mean that intervention, if it came, would occur when the dollar was already on a downward trend.

Mr Sakakibara's claim that the US was worried about the weak yen gained credence when shortly afterwards a US official repeated earlier Washington complaints about the growing Japanese trade surplus. Ms Charlene Barshefsky, US trade representative, said Washington did not want the gap to grow any wider. That message would be reinforced when President Bill Clinton and Mr Ryutaro Hashimoto, the Japanese prime minister, met in the US capital later this month, she said. However, 4CAST, the economic consultancy, said Ms Barshefsky's comments contained "nothing new".

The dollar gained some support from stronger than expected US industrial output figures for March. These revived belief that the Federal Open Market committee would raise interest rates after its meeting on May 20.

The US currency fell half a yen in London to Y125.8, and half a pfennig against the D-Mark to DM1.729. But it rose 0.3 cents against the weak Canadian dollar to C$1.399.

The D-Mark at times fell through support at Y72.80 against the yen, and closed at Y72.79. With the yen buoyed by intervention talk and the dollar by the strong US economy, the D-Mark was the obvious major currency to sell, strategists said.

Sterling, which had surged on Tuesday, dropped with the dollar, losing 1.4 pfennigs against the D-Mark to DM2.804.

The Norwegian krone fell from NKr4.045 to NKr4.083 to the D-Mark due to a falling dollar, lower oil prices, and sales by foreign investors whose bets on the currency had not paid off.

■ Japan's threats of intervention in recent weeks have achieved one result: the dollar/yen rate has virtually stopped moving. Traders are unwilling to send the dollar higher, in case Tokyo is as good as its word, but given the US boom, they are not selling dollars either.

Mr Joe Prendergast, foreign exchange strategist at Merrill Lynch in London, says currency options prices show that the market expects the dollar to stick in a rut against the yen, rather than to fall on intervention.

He points out that when Mr Sakakibara issued threats of intervention on February 21, options were pricing in strong volatility on the dollar/yen rate. Today they are pricing in very low volatility.

The wait is for traders to buy dollars and test Tokyo's resolve to intervene. Mr Paul Lambert, senior currency economist at UBS in London, said: "Our view is that the market will ultimately take on the Bank of Japan, but there will have to be some news that will drive the dollar higher."

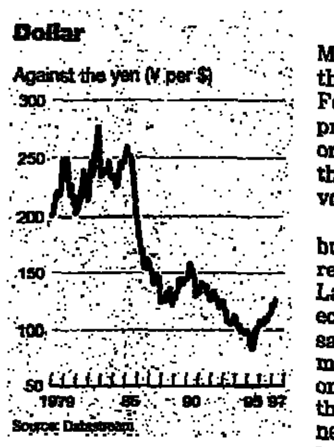
There may be little action while traders await the Group of Seven finance ministers' meeting later this month. The last G7 meeting, in Berlin on February 8, produced a statement saying that the dollar's rise had gone far enough.

■ The lira fell slightly on a report in an Italian newspaper that France and Germany were conspiring to keep Spain and Italy out of the first round of European monetary union. But the currency only lost L1.7 to L985 against the D-Mark, as France and Germany called the report "totally absurd".

The market is now waiting for an Italian interest rate cut, after Spanish and Portuguese cuts in recent days. Italian producer and wholesale price data for February emerged tame yesterday. With the D-Mark weak, and consumer price inflation data for 11 Italian cities expected soft next week, economists expect the official discount rate to fall 50 or 75 basis points to 6.25 or 6 per cent.

Dollar

Against the yen (Y per $)



Source: Datastream

■ **Pound in New York**

Apr 16	—Latest—	– Prev. close –
£ spot	1.6245	1.6285
1 mth	1.6239	1.6279
3 mth	1.6224	1.6264
1 yr	1.6175	1.6210

■ **OTHER CURRENCIES**

Apr 16	£	$
Czech Rp	49.0015 - 49.0853	30.2180 - 30.2510
Hungary	293.591 - 293.853	181.050 - 181.100
Iran	4867.80 - 4864.80	3000.00 - 3000.00
Kuwait	0.4931 - 0.4938	0.3041 - 0.3043
Poland	5.0610 - 5.0690	3.1210 - 3.1240
Russia	9322.58 - 9331.57	5749.00 - 5751.00
U.A.E.	5.9555 - 5.9600	3.6726 - 3.6731

POUND SPOT FORWARD AGAINST THE POUND

Apr 16		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	19.7341	-0.1018	229 - 453	19.8408	19.6597	19.6906	2.6	19.6341	2.0	-	-	103.2
Belgium	(BFr)	57.8498	-0.2916	052 - 944	58.0670	57.6540	57.7248	2.6	57.4648	2.7	56.1398	3.0	103.0
Denmark	(DKr)	10.6606	-0.0531	756 - 855	10.7171	10.6435	10.6586	2.5	10.6151	2.5	10.4051	2.6	105.5
Finland	(FM)	8.4070	-0.0342	983 - 156	8.4640	8.3770	-	-	-	-	-	-	82.5
France	(FFr)	9.4278	-0.0497	234 - 322	9.4598	9.3968	9.4056	2.8	9.362	2.8	9.1449	3.0	106.1
Germany	(DM)	2.8040	-0.0143	024 - 055	2.8157	2.7939	2.7973	2.8	2.7838	2.9	2.7171	3.1	104.5
Greece	(Dr)	441.009	-1.864	767 - 250	442.355	439.669	-	-	-	-	-	-	66.0
Ireland	(I£)	1.0539	-0.0016	530 - 547	1.0554	1.0522	1.0536	0.3	1.0527	0.5	1.0461	0.7	101.5
Italy	(L)	2761.71	-9.43	045 - 296	2768.80	2750.03	2765.11	-1.5	2769.96	-1.2	2772.76	-0.4	76.3
Luxembourg	(LFr)	57.8498	-0.2916	052 - 944	58.0670	57.6540	57.7248	2.6	57.4648	2.7	56.1398	3.0	103.0
Netherlands	(Fl)	3.1514	-0.0164	500 - 527	3.1701	3.1406	3.1433	3.1	3.1275	3.0	3.052	3.2	102.7
Norway	(NKr)	11.4454	+0.0497	378 - 530	11.4537	11.3159	11.4209	2.6	11.3724	2.6	11.1469	2.6	99.9
Portugal	(Es)	280.867	-1.034	715 - 018	281.467	279.759	281.007	-0.6	281.292	-0.6	-	-	94.4
Spain	(Pta)	236.299	-1.05	186 - 413	237.220	235.600	236.433	-0.7	236.299	0.0	234.824	0.6	77.8
Sweden	(SKr)	12.5047	-0.0243	948 - 146	12.5366	12.4501	12.4857	1.8	12.4462	1.9	12.2502	2.0	84.6
Switzerland	(SFr)	2.3844	-0.0071	829 - 859	2.3888	2.3732	2.3756	4.5	2.3577	4.5	2.2735	4.6	103.9
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	99.7
Ecu	-	1.4358	-0.008	344 - 362	1.4396	1.4307	1.4331	1.8	1.4284	1.9	1.4033	2.2	-
SDR†	-	1.19172	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.6219	-0.0033	213 - 224	1.6284	1.6169	-	-	-	-	-	-	-
Brazil	(R$)	1.7209	-0.0022	202 - 216	1.7263	1.7178	-	-	-	-	-	-	-
Canada	(C$)	2.2686	+0.001	675 - 697	2.2746	2.2633	2.2628	3.1	2.252	2.9	2.2074	2.7	83.9
Mexico	(New Peso)	12.8049	-0.0065	928 - 169	12.8570	12.7833	-	-	-	-	-	-	-
USA	($)	1.6221	-0.0033	216 - 226	1.6287	1.6192	1.6215	0.4	1.62	0.5	1.6144	0.5	106.0
Pacific/Middle East/Africa													
Australia	(A$)	2.1041	+0.0098	027 - 054	2.1076	2.0929	2.104	0.1	2.1032	0.2	2.0991	0.2	97.5
Hong Kong	(HK$)	12.5705	-0.0256	658 - 752	12.6210	12.5488	12.5658	0.4	12.5549	0.5	12.5147	0.4	-
India	(Rs)	58.0712	-0.1377	208 - 215	58.2900	58.0000	-	-	-	-	-	-	-
Israel	(Shk)	5.5093	-0.0172	011 - 175	5.5348	5.5010	-	-	-	-	-	-	-
Japan	(Y)	204.060	-1.285	916 - 204	205.530	203.520	203.09	5.7	201.23	5.5	192.82	5.6	121.1
Malaysia	(M$)	4.0715	-0.014	694 - 735	4.0904	4.0647	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3624	-0.002	604 - 643	2.3728	2.3604	2.3653	-1.5	2.3704	-1.4	2.3906	-1.2	115.5
Philippines	(Peso)	42.7505	-0.0951	967 - 042	42.8830	42.6937	-	-	-	-	-	-	-
Saudi Arabia	(SR)	6.0836	-0.0122	816 - 859	6.1060	6.0731	-	-	-	-	-	-	-
Singapore	(S$)	2.3373	-0.0082	358 - 388	2.3473	2.3337	-	-	-	-	-	-	-
South Africa	(R)	7.2370	-0.0139	323 - 417	7.2640	7.2139	-	-	-	-	-	-	-
South Korea	(Won)	1450.16	-4.57	647 - 385	1455.76	1445.73	-	-	-	-	-	-	-
Taiwan	(T$)	44.7700	-0.0911	237 - 162	44.9400	44.7223	-	-	-	-	-	-	-
Thailand	(Bt)	42.2963	-0.0942	427 - 499	42.4720	42.2210	-	-	-	-	-	-	-

† Rates for Apr 15. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T. The exchange rates printed in this table are also available on the internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Apr 16		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan Index
Europe													
Austria	(Sch)	12.1658	-0.0378	626 - 689	12.1890	12.1290	12.1511	1.5	12.1058	2.0	11.9108	2.1	103.0
Belgium	(BFr)	35.6635	-0.107	470 - 800	35.7220	35.5480	35.6035	2.0	35.476	2.1	34.936	2.0	102.9
Denmark	(DKr)	6.5844	-0.0193	834 - 854	6.5963	6.5639	6.5755	1.6	6.5571	1.7	6.4754	1.7	104.7
Finland	(FM)	5.1828	-0.0105	790 - 865	5.1993	5.1625	5.174	2.0	5.1553	2.1	5.0728	2.1	82.0
France	(FFr)	5.8121	-0.0188	112 - 130	5.8195	5.7967	5.8014	2.2	5.7804	2.2	5.6721	2.4	105.5
Germany	(DM)	1.7286	-0.0053	282 - 290	1.7293	1.7230	1.7254	2.2	1.7188	2.3	1.6852	2.5	104.7
Greece	(Dr)	271.875	-0.595	810 - 940	271.980	270.850	273.43	-6.9	276	-6.1	287.025	-5.6	65.8
Ireland	(I£)	1.5393	-0.0007	385 - 400	1.5450	1.5369	1.5388	0.4	1.5383	0.3	1.5396	0.0	-
Italy	(L)	1702.55	-2.35	230 - 280	1703.75	1696.00	1705.55	-2.1	1710.4	-1.8	1720.2	-1.0	76.3
Luxembourg	(LFr)	35.6635	-0.107	470 - 800	35.7220	35.5480	35.6035	2.0	35.476	2.1	34.936	2.0	102.9
Netherlands	(Fl)	1.9428	-0.0062	425 - 430	1.9462	1.9370	1.939	2.3	1.931	2.4	1.8955	2.4	102.5
Norway	(NKr)	7.0559	+0.0449	534 - 584	7.0585	6.9508	7.0522	0.6	7.0465	0.5	7.0209	0.5	99.9
Portugal	(Es)	173.150	-0.285	110 - 190	173.220	172.340	173.28	-0.9	173.43	-0.6	173.165	0.0	94.9
Spain	(Pta)	145.675	-0.35	650 - 700	145.760	145.290	145.766	-0.7	145.885	-0.6	145.66	0.0	77.6
Sweden	(SKr)	7.7090	+0.0008	052 - 127	7.7137	7.6779	7.7062	0.4	7.6963	0.7	7.649	0.8	84.5
Switzerland	(SFr)	1.4700	-0.0013	695 - 704	1.4705	1.4635	1.4652	3.9	1.4558	3.9	1.4103	4.1	103.9
UK	(£)	1.6221	-0.0033	216 - 226	1.6287	1.6192	1.6215	0.4	1.62	0.5	1.6144	0.5	99.9
Ecu	-	1.1302	+0.0024	298 - 305	1.1336	1.1300	1.1314	-1.2	1.1339	-1.3	1.1492	-1.7	-
SDR†	-	0.732552	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9999	-	998 - 999	0.9999	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	1.0609	+0.0008	608 - 610	1.0610	1.0602	-	-	-	-	-	-	-
Canada	(C$)	1.3986	+0.0035	983 - 988	1.3992	1.3957	1.3958	2.4	1.3905	2.3	1.3691	2.1	84.1
Mexico	(New Peso)	7.8940	+0.012	890 - 990	7.8990	7.8880	8.012	-17.9	8.2785	-19.5	9.139	-15.8	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	106.8
Pacific/Middle East/Africa													
Australia	(A$)	1.2971	+0.0085	967 - 975	1.2976	1.2926	1.2978	-0.6	1.2986	-0.5	1.3039	-0.5	100.3
Hong Kong	(HK$)	7.7495	-	490 - 500	7.7500	7.7485	7.7494	0.0	7.75	0.0	7.761	-0.1	-
India	(Rs)	35.8000	-0.012	800 - 200	35.8200	35.7770	36.015	-7.2	36.475	-7.5	-	-	-
Israel	(Shk)	3.3954	-0.0037	924 - 004	3.4118	3.3922	-	-	-	-	-	-	-
Japan	(Y)	125.800	-0.535	750 - 850	126.310	125.580	125.265	5.1	124.24	5.0	119.44	5.1	121.6
Malaysia	(M$)	2.5100	-0.0035	095 - 105	2.5132	2.5090	2.5128	-1.4	2.5182	-1.3	2.5395	-1.2	-
New Zealand	(NZ$)	1.4563	+0.0016	556 - 571	1.4579	1.4549	1.4586	-1.9	1.4629	-1.8	1.4836	-1.9	-
Philippines	(Peso)	26.3550	-0.005	300 - 800	26.3800	26.3300	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7506	+0.0001	504 - 507	3.7507	3.7504	3.7508	-0.1	3.7513	-0.1	3.7532	-0.1	-
Singapore	(S$)	1.4409	-0.0021	404 - 414	1.4420	1.4400	1.4387	1.8	1.4342	1.9	1.4129	1.9	-
South Africa	(R)	4.4615	+0.0005	600 - 630	4.4650	4.4455	4.5022	-10.9	4.5772	-10.4	4.892	-9.6	-
South Korea	(Won)	894.000	-1	000 - 000	896.300	891.600	-	-	-	-	-	-	-
Taiwan	(T$)	27.6000	-	800 - 200	27.6220	27.5800	27.6001	0.0	27.6003	0.0	-	-	-
Thailand	(Bt)	26.0750	-0.005	500 - 000	26.1000	26.0500	26.165	-4.1	26.3325	-4.0	26.97	-3.4	-

† SDR rate per $ for Apr 15. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Apr 15: Base average 1990=100. The exchange rates printed in this table are also available on the internet at http://www.FT.com

WORLD INTEREST RATES

MONEY RATES

April 16	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3 3/8	3 5/16	3 3/8	3 7/16	3 9/16	6.00	2.50	-
France	3 5/32	3 5/16	3 11/32	3 13/32	3 9/16	3.10	-	4.75
Germany	3 1/32	3 3/16	3 3/16	3 3/16	3 11/32	4.50	2.50	3.00
Ireland	5 15/32	5 5/8	5 27/32	5 15/16	5 31/32	-	-	6.25
Italy	7 3/16	7 1/32	6 27/32	6 25/32	6 23/32	8.25	6.75	7.34
Netherlands	2 31/32	3 1/16	3 3/32	3 3/16	3 5/16	-	3.00	3.30
Switzerland	1	1 17/32	1 5/8	1 3/4	1 15/16	-	1.00	-
US	5 9/16	5 5/8	5 23/32	5 29/32	6 1/32	-	5.00	-
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	0.50	-
■ **$ LIBOR FT London**								
Interbank Fixing	-	5 9/16	5 23/32	6 1/32	6 5/16	-	-	-
US Dollar CDs	-	5.52	5.67	5.81	6.14	-	-	-
ECU Linked Ds	-	4 1/4	4 3/8	4 7/16	4 9/16	-	-	-
SDR Linked Ds	-	3 1/4	3 11/32	3 13/32	3 19/32	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Apr 16	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3 3/8 - 3 1/4	3 3/16 - 3 1/16	3 1/4 - 3 1/8	3 1/4 - 3 1/8	3 5/16 - 3 3/16	3 13/32 - 3 9/32
Danish Krone	3 11/32 - 3 1/4	3 19/32 - 3 1/2	3 9/16 - 3 7/16	3 11/16 - 3 9/16	3 3/4 - 3 19/32	4 - 3 27/32
German Mark	3 3/16 - 3 1/16	3 1/8 - 3	3 7/32 - 3 1/8	3 1/4 - 3	3 1/4 - 3	3 7/16 - 3 5/16
Dutch Guilder	2 9/16 - 2 7/16	3 1/8 - 2 31/32	3 1/8 - 3 1/32	3 1/4 - 3 1/8	3 11/32 - 3 3/16	3 3/8 - 3 1/4
French Franc	3 7/32 - 3 1/8	3 1/4 - 3 1/8	3 11/32 - 3 7/32	3 13/32 - 3 5/16	3 15/32 - 3 11/32	3 7/16 - 3 5/16
Portuguese Esc.	5 27/32 - 5 13/16	5 7/8 - 5 25/32	5 7/8 - 5 13/16	5 15/16 - 5 25/32	5 31/32 - 5 5/8	5 27/32 - 5 3/4
Spanish Peseta	5 3/4 - 5 5/8	5 11/16 - 5 19/32	5 11/16 - 5 9/16	5 9/16 - 5 5/16	5 9/16 - 5 7/16	5 9/16 - 5 7/16
Sterling	6 - 5 7/8	6 - 5 7/8	6 1/16 - 6 1/32	6 3/8 - 6 5/16	6 5/8 - 6 1/2	6 15/16 - 6 7/8
Swiss Franc	1 1/8 - 5/8	1 9/16 - 1 7/16	1 23/32 - 1 21/32	1 7/8 - 1 3/4	1 31/32 - 1 27/32	2 1/16 - 1 15/16
Canadian Dollar	3 1/8 - 2 13/16	3 1/4 - 3 1/8	3 1/4 - 3 1/8	3 1/2 - 3 3/8	3 25/32 - 3 23/32	4 13/32 - 4 11/32
US Dollar	5 9/16 - 5 7/16	5 19/32 - 5 1/2	5 5/8 - 5 17/32	5 27/32 - 5 23/32	6 - 5 7/8	6 13/32 - 6 9/32
Italian Lira	7 11/16 - 6 11/16	7 3/32 - 7 1/32	7 1/8 - 6 7/8	6 27/32 - 6 23/32	6 31/32 - 6 25/32	6 3/4 - 6 21/32
Japanese Yen	1/2 - 13/32	1/2 - 3/8	9/16 - 17/32	9/16 - 1/2	17/32 - 7/16	21/32 - 9/16
Asian $Sing	3 7/16 - 3 5/16	3 1/2 - 3 3/8	3 1/2 - 3 3/8	3 1/2 - 3 3/8	3 1/2 - 3 3/8	3 9/16 - 3 7/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris Interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.70	96.68	-0.02	96.71	96.67	11,269	59,576
Sep	96.64	96.63	-0.01	96.66	96.62	8,773	51,587
Dec	96.54	96.53	-0.01	96.56	96.52	133	33,621

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.75	96.75	n/a	96.77	96.74	24277	223927
Sep	96.70	96.70	n/a	96.71	96.68	18893	196020
Dec	96.55	96.55	-0.01	96.58	96.53	30070	213061
Mar	96.41	96.40	n/a	96.43	96.37	29067	171973

■ **ONE MONTH EUROMARK FUTURES** (LIFFE)* DM3m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
May		96.78	-			0	4557
Jun		96.78	-			0	725
Jul		96.77	-			0	50
Aug		96.77	-			0	5

■ **THREE MONTH EUROLIRA FUTURES** (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.28	93.22	-0.06	93.28	93.17	28204	107918
Sep	93.61	93.54	-0.06	93.61	93.50	12354	69150
Dec	93.74	93.66	-0.07	93.74	93.63	6524	42820
Mar	93.75	93.69	-0.06	93.75	93.65	2342	26751

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	98.09	98.04	-0.05	98.10	98.03	4979	56449
Sep	98.05	98.00	-0.04	98.05	97.99	1991	29018
Dec	97.91	97.85	-0.06	97.91	97.85	1064	17982
Mar	97.76	97.74	-0.05	97.76	97.73	205	7763

■ **THREE MONTH EUROYEN FUTURES** (LIFFE) Y100m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	99.38	99.35	-0.02	99.38	99.37	200	n/a
Sep		99.23	-0.04			0	n/a
Dec	99.10	99.05	-0.06	99.10	99.06	2061	n/a

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.86	95.87	+0.01	95.87	95.85	766	7820
Sep	95.83	95.82	+0	95.83	95.81	183	4854
Dec	95.76	95.73	+0	95.76	95.72	161	5410
Mar	95.64	95.65	+0	95.66	95.64	80	3761

* LIFFE futures also traded on APT

■ **EUROLIRA OPTIONS** (LIFFE) L1000m points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9300	0.32	0.67	0.84	0.10	0.13	0.18
9325	0.16	0.48	0.66	0.19	0.19	0.25
9350	0.07	0.32	0.50	0.35	0.28	0.34

Est. vol. total, Calls 5250 Puts 2886. Previous day's open int., Calls 145366 Puts 82812

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Apr 16		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.46	16.30	4.847	1.822	4774	5.447	19.79	485.6	408.5	21.62	4.121	1.729	3.922	2.804	352.8	2.481
Denmark	(DKr)	54.17	10	8.826	2.625	0.987	2586	2.950	10.72	263.0	221.3	11.71	2.232	0.936	2.125	1.519	191.1	1.344
France	(FFr)	61.36	11.33	10	2.974	1.118	2930	3.342	12.14	297.9	250.6	13.27	2.529	1.061	2.407	1.720	216.5	1.522
Germany	(DM)	20.63	3.809	3.362	1	0.376	985.0	1.124	4.083	100.2	84.27	4.461	0.850	0.357	0.809	0.578	72.79	0.512
Ireland	(I£)	54.89	10.13	8.945	2.660	1	2620	2.990	10.86	266.5	224.2	11.87	2.262	0.949	2.153	1.539	193.6	1.361
Italy	(L)	2.094	0.387	0.341	0.102	0.038	100.	0.114	0.415	10.17	8.555	0.453	0.086	0.036	0.082	0.059	7.390	0.052
Netherlands	(Fl)	18.36	3.389	2.992	0.890	0.334	876.5	1	3.634	89.15	74.99	3.970	0.757	0.317	0.720	0.515	64.77	0.455
Norway	(NKr)	50.52	9.328	8.234	2.449	0.921	2412	2.752	10	245.3	206.4	10.93	2.082	0.873	1.982	1.417	178.3	1.253
Portugal	(Es)	20.59	3.802	3.356	0.998	0.375	983.3	1.122	4.076	100.	84.12	4.454	0.849	0.356	0.808	0.577	72.66	0.511
Spain	(Pta)	24.48	4.520	3.990	1.187	0.446	1169	1.333	4.846	118.9	100.	5.294	1.009	0.423	0.960	0.686	86.37	0.607
Sweden	(SKr)	46.24	8.537	7.536	2.241	0.843	2208	2.519	9.153	224.5	188.9	10	1.906	0.799	1.814	1.297	163.1	1.147
Switzerland	(SFr)	24.27	4.480	3.955	1.176	0.442	1159	1.322	4.803	117.8	99.12	5.247	1	0.419	0.952	0.680	85.61	0.602
UK	(£)	57.85	10.68	9.428	2.804	1.054	2762	3.151	11.45	280.9	236.3	12.51	2.384	1	2.269	1.622	204.1	1.435
Canada	(C$)	25.50	4.707	4.155	1.236	0.465	1217	1.389	5.046	123.8	104.1	5.513	1.051	0.441	1	0.715	89.95	0.632
US	($)	35.67	6.584	5.813	1.729	0.650	1703	1.943	7.059	173.2	145.7	7.713	1.470	0.617	1.399	1	125.8	0.885
Japan	(Y)	28.34	5.233	4.619	1.374	0.516	1353	1.544	5.610	137.6	115.8	6.129	1.168	0.490	1.112	0.795	100.	0.703
Ecu		40.31	7.443	6.570	1.954	0.734	1925	2.196	7.979	195.7	164.7	8.718	1.661	0.697	1.581	1.130	142.2	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.5816	0.5813	-0.0006	0.5827	0.5809	22,974	83,581
Sep	0.5863	0.5854	-0.0005	0.5866	0.5854	203	2,582
Dec	-	0.5902	-	-	-	1	249

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.6865	0.6858	-0.0014	0.6881	0.6857	12,573	42,762
Sep	0.6938	0.6933	-0.0008	0.6949	0.6933	43	2,122
Dec	-	0.7016	-	-	-	1	379

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.8003	0.8032	+0.0029	0.8036	0.7985	10,426	82,123
Sep	0.8142	0.8137	+0.0023	0.8150	0.8137	126	1,398
Dec	0.8250	0.8252	+0.0021	0.8252	0.8250	79	623

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.6278	1.6190	-0.0082	1.6278	1.6178	7,417	35,731
Sep	1.6160	1.6170	-0.0078	1.5176	1.6160	35	880
Dec	-	1.6130	-0.0088	-	1.6130	2	101

UK INTEREST RATES

LONDON MONEY RATES

Apr 16	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	7 1/4 - 5 5/8	6 1/16 - 5 13/16	6 1/8 - 5 15/16	6 7/16 - 6 5/16	6 11/16 - 6 9/16	7 1/32 - 6 13/16
Sterling CDs	-	-	6 1/16 - 6	6 11/32 - 6 9/32	6 19/32 - 6 17/32	6 7/8 - 6 13/16
Treasury Bills	-	-	6 1/32 - 5 31/32	6 5/16 - 6 1/4	-	-
Bank Bills	-	-	6 1/32 - 5 15/16	6 5/16 - 6 1/4	6 9/16 - 6 7/16	-
Local authority deps.	6 - 5 7/8	6 - 5 7/8	6 1/16 - 6	6 5/16 - 6 1/4	6 9/16 - 6 7/16	6 15/16 - 6 13/16
Discount Market deps	6 - 5 7/8	6 - 5 7/8	-	-	-	-

UK clearing bank base lending rate 6 per cent from October 30, 1996

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2 1/2	5 1/2	5	5	4 3/4

Certs of Tax dep. under £100,000 is 2 1/2pc. Deposits withdrawn for cash 1 1/4pc. Ave. tender rate of discount on Apr 11, 6.0953pc. ECGD fixed rate Stlg. Export Finance. Make up day Mar 27, 1997. Agreed rate for period Apr 22, 1997 to May 25, 1997, Scheme III 7.53pc. Reference rate for period Mar 1, 1997 to Mar 27, 1997, Schemes IV & V 6.262pc. Finance House Base Rate 6 1/2pc from Apr 1, 1997

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.43	93.43	-	93.46	93.41	12622	117994
Sep	93.17	93.17	-	93.21	93.14	23599	95442
Dec	92.94	92.94	-	92.98	92.90	19276	75802
Mar	92.76	92.77	-	92.81	92.74	6731	49694
Jun	92.63	92.64	-	92.67	92.60	3363	39912

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9325	0.23	0.14	0.15	0.05	0.22	0.46
9350	0.07	0.06	0.07	0.14	0.39	0.63
9375	0.01	0.02	0.03	0.33	0.60	0.84

Est. vol. total, Calls 3665 Puts 2329. Previous day's open int., Calls 161164 Puts 157939

EMS EUROPEAN CURRENCY UNIT RATES

Apr 16	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.798709	0.738306	+0.003831	-7.56	10.48	51
Portugal	197.398	196.489	+0.052	-0.46	2.60	3
Finland	5.85424	5.87956	+0.0089	0.43	1.69	-3
Spain	163.826	165.401	-0.081	0.96	1.15	-7
Italy	1906.48	1932.21	+1.97	1.35	0.77	-10
Netherlands	2.16979	2.20474	-0.00275	1.61	0.51	-12
Denmark	7.34555	7.47037	-0.00921	1.70	0.42	-12
Germany	1.92573	1.96148	-0.00255	1.86	0.27	-18
Belgium	39.7191	40.4635	-0.0542	1.87	0.25	-14
Austria	13.5485	13.8052	-0.0171	1.89	0.23	-14
France	6.45863	6.59602	-0.01036	2.13	0.00	-18
NON ERM MEMBERS						
Greece	295.269	308.636	-0.114	4.53	-2.30	-
UK	0.793103	0.700888	+0.004879	-11.65	15.60	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. 17/9/92: Sterling suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS May	Jun	Jul	PUTS May	Jun	Jul
1.620	1.82	2.37	2.74	1.01	1.63	2.13
1.630	1.28	1.85	2.29	1.48	2.12	2.58
1.640	0.87	1.43	1.86	2.07	2.64	3.14

Previous day's vol., Calls 2,335 Puts 210. Prev. day's open int., Calls 30,059 Puts 30,967

■ **PHILADELPHIA SE D-MARK/$ OPTIONS** DM62,500 ($ per DM)

Strike Price	CALLS May	Jun	Jul	PUTS May	Jun	Jul
0.595	0.18	0.38	0.57	1.62	1.73	-
0.600	0.11	0.27	0.43	2.08	2.06	-
0.605	0.08	0.19	0.32	-	-	-

Previous day's vol., Calls 697 Puts 1,707. Prev. day's open int., Calls 24,358 Puts 35,859.

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.00	93.98	-0.02	94.01	93.98	115,720	488,942
Sep	93.71	93.67	-0.04	93.72	93.68	146,244	424,809
Dec	93.42	93.36	-0.06	93.43	93.35	124,074	300,503

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.58	94.58	-0.01	94.59	94.58	224	6,952
Sep	94.32	94.27	-0.03	94.32	94.27	54	3,776
Dec	-	94.50	-	-	-	-	-

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS May	Jun	Jul	Sep	PUTS May	Jun	Jul	Sep
9675	0.03	0.05	0.04	0.07	0.03	0.05	0.09	0.12
9700	0	0	0.01	0.01	0.25	0.25	0.31	0.31
9725	0	0	0	0	0.50	0.50	0.55	0.55

Est. vol. total, Calls 7459 Puts 8340. Previous day's open int., Calls 459815 Puts 257870

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Jun	Sep	Dec	PUTS Jun	Sep	Dec
9825	0.03	0.09	0.12	0.24	0.34	0.52
9850	0.01	0.03	0.05	0.47	0.58	0.70

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1150 Puts 1740

BASE LENDING RATES

	%		%		%
Adam & Company	6.00	Duncan Lawrie	6.00	Royal Bk of Scotland	6.00
Allied Irish Bank (GB)	6.00	Exeter Bank Limited	7.00	●Singer & Friedlander	6.00
●Henry Ansbacher	6.00	Financial & Gen Bank	7.00	●Smith & Williamson Secs	6.00
Bank of Baroda	6.00	●Robert Fleming & Co	6.00	Scottish Widows Bank	6.00
Banco Bilbao Vizcaya	6.00	●Guinness Mahon	6.00	TSB	6.00
Bank of Cyprus	6.00	Habib Bank AG Zurich	6.00	United Bank of Kuwait	6.00
Bank of Ireland	6.00	●Hambros Bank	6.00	Unity Trust Bank Plc	6.00
Bank of India	6.00	Heritable & Gen Inv Bk.	6.00	Western Trust	6.00
Bank of Scotland	6.00	●Hill Samuel	6.0	Whiteaway Laidlaw	6.00
Barclays Bank	6.00	C. Hoare & Co	6.00	Yorkshire Bank	6.00
Brit Bk of Mid East	6.00	Hongkong & Shanghai	6.00		
●Brown Shipley & Co Ltd	6.00	Investec Bank (UK) Ltd	6.00		
Citibank NA	6.00	Julian Hodge Bank	6.00		
Clydesdale Bank	6.00	●Leopold Joseph & Sons	6.00		
The Co-operative Bank	6.00	Lloyds Bank	6.00		
Coutts & Co	6.00	Midland Bank	6.00		
Cyprus Popular Bank	6.00	NatWestminster	6.00		
		●Rea Brothers	6.00		

● Members of London Investment Banking Association

* In administration

0171 649 3030 Futures Options FX 24 Hrs UNION CAL Ltd.

FUTURES OPTIONS & FOREX PRIVATE CLIENTS WELCOME
BERKELEY FUTURES LIMITED
38 DOVER STREET, LONDON W1X 3RB
TEL: 0171 629 1133 FAX: 0171 495 0022

Market-Eye Real-time equities, futures, options and news from only £54 per month
Call now for an information pack and free demo disk Freefone 0800 321 321

UNION TAX-SHOP LTD
For all your tax and self- assessment needs
Tax Returns from £60
TEL: 0345 585573 / FAX: 0345 573376

BRIDGE FUTURES MARKET DATAKIT

mini REUTERS Freephone FUTURES PAGER 0800 88 88 08 PHILIPS BT

OPTIONS - TAX FREE*
IG INDEX FINANCIAL
0171 896 0011

Fast Fills. Low Rates. £5-£25
0800-262-472 (UK)
Germany: 0130-818108
France: 05 90 90 83 43
Switzerland: 06 80 55 83 38
Fax: 0171-256-2445
LIND-WALDOCK & COMPANY

OFFSHORE COMPANIES
Established in 1975 OCRA has 20 offices world wide and 750 ready-made companies available.
For 100 page FREE colour brochure Email financial@ocra.com or contact:

MURPACE
A personal service in Futures, Options & Currencies with direct access to exchange floors
James Maxwell
Tel: 0171 702 1991
Fax: 0171 480 6115

Real-time quotes ➡ Forex data
Over 100,000 issues ➡ News headlines
U.S. & int'l data ➡ As low as $9/day!
For info call 44+171 626 6101 ext. 3a
Signal

SPREAD BETTING ON OVER EIGHTY MARKETS
CITY INDEX

METRO AG
METRO FINANCE B.V.
Can$ 100,000,000 Collared Floating Rate Notes 1993/2003
(issued under the DM 1 billion Multi-Currency Euro Medium Term Note Programme of METRO AG) Tranche-No.: L1
The Rate of Interest applicable to the Interest Period from April 15, 1997 to July 14, 1997 inclusively, was determined to be 6.5 per cent per annum. Therefore, on July 15, 1997 interest per Note of Can$ 1,000 principal amount in the amount of Can$16.21 and interest per Note of Can$ 10,000 principal amount in the amount of Can$ 162.05 is due.
Frankfurt am Main
April 1997
Dresdner Kleinwort Benson
Dresdner Bank Aktiengesellschaft
Calculation and Principal Paying Agent

GNI All Futures, Options & Margined Forex
24 HRS
Contact: James Allan
Tel: 0171 337 3999
Fax: 0171 337 3997

Equity Options from £5 to £20 per round turn
Linnco
+44 (0) 171 382 9429

Don't Pay $3,000!
Take Prechter's FREE course on the Elliott Wave Principle
www.elliottwave.com

Election Announced
How does that affect your position?
Real Time Stocks, Currencies, Bonds, Derivatives, News
Tel: +44 (0) 171 405 4541 Fax: +44 (0) 171 405 4513
Internet: www.tenfore.co.uk Email: tenfore@cityscape.co.uk
TENFORE

CURRENCY MANAGEMENT CORPORATION PLC
● Real Time Foreign Exchange Dealing Service via the Internet
● 24 Hours Service - No Commissions ● 5 PIP Spreads
● Free Realtime 180 Currency feed
www.Forex-CMC.CO.UK EMAIL: PETER@FOREX-CMC.CO.UK
Tel: 44 171 865 0800 Fax: 44 171 972 0970
Address: 11, Old Jewry, London, EC2R 8DU Regulated by SFA

Petroleum Argus European Natural Gas Report
Comprehensive daily report covering the UK and European gas markets
Petroleum Argus

The FT GUIDE TO WORLD CURRENCIES, published in Monday's newspaper and covering over 200 currencies, is now available by dialling the following number from the keypad or handset of your fax machine. 0891 437 001.
Calls are charged at 39p/min cheap rate and 49p/min at all other times. For service outside the UK please telephone +44 171 873 4378 for details on Cityline International.

THE MARKET CD ROM
100+ programmes inc 30+ great technical analysis packages, 40 demos, stock/futures histories, data & loan utilities, portfolio management software etc. £34 inc p&p
Call 0181 730 1660 in UK or Spain +34 71 402 654
Also, realtime forex and futures on Astra from just £99/mth

If you would like to advertise, or require any further information, please contact:
Jeremy Nelson
Tel: 0171-873-3447 Fax: 0171-873-3062

COMMODITIES AND AGRICULTURE

East coast cod grounds are to be partially reopened as surveys indicate a revival in stocks

Canada to ease fishing ban

By Bernard Simon in Toronto

Canada plans partially to reopen its east coast cod fishing grounds after a four-year moratorium aimed at reviving devastated fish stocks in the north-west Atlantic.

The ban has caused widespread hardship in Newfoundland and other Atlantic provinces, forcing the closure of dozens of fish processing plants and throwing an estimated 30,000 people out of work.

It also fuelled tensions between Canada and the European Union over alleged over-fishing by foreign vessels in the so-called "Nose" and "Tail" of the Grand Banks of Newfoundland, which lie just outside Canada's 200-mile fishing zone.

Canada seized a Spanish trawler off the Grand Banks in March 1995 after accusing foreign vessels of exploiting "straddling" stocks of cod and Greenland halibut that migrate between domestic and international waters.

A Canadian official said Mr Fred Mifflin, fisheries minister, would today announce a "limited, cautious" reopening of the domestic fishing grounds of Newfoundland and the Gulf of St Lawrence. About 2 per cent of the catch will be available to French trawlers under treaty obligations.

According to a local report, Mr Mifflin will set a 10,000-tonne quota for the coming season off the southern coast of Newfoundland, or about a quarter of the catch in the peak years of the early 1980s.

The quota for the northern Gulf of St Lawrence is expected to be pegged at 6,000 tonnes, compared with an earlier peak of 100,000 tonnes.

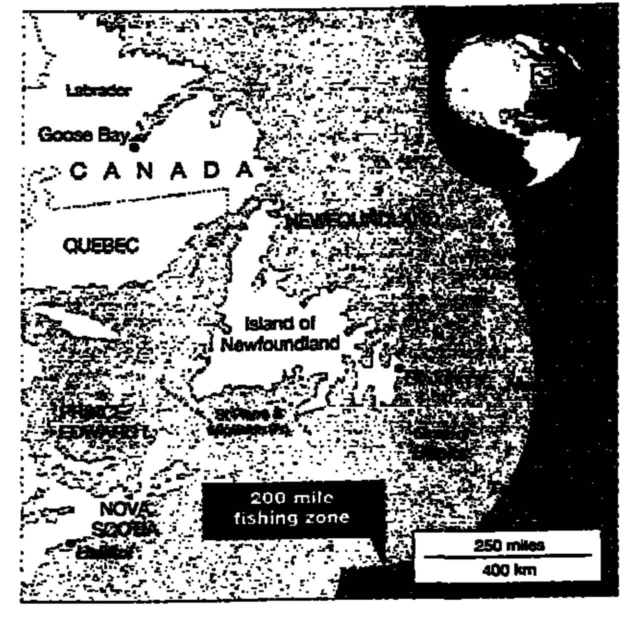
Scientists have ascribed the near disappearance of cod in the early 1990s to a combination of factors, including changing water temperatures and heavy over-fishing. Some feared the fishing grounds, once among the richest in the world, would never recover.

However, recent surveys have pointed to at least a partial revival. Mr Mifflin said last October that "the fish are fatter, they are healthier, so we know for sure that the decline has ceased."

The Fisheries Resource Conservation Council, an independent advisory group, has recommended a limited reopening, subject to a mid-season review.

However, some scientists insist stocks remain too low to justify commercial fishing. Critics noted that yesterday's announcement came just a few weeks before the government is expected to call a general election. Ottawa last year cut the financial adjustment package available to displaced fish workers.

The FRCC has also identified a growing stock of young Greenland halibut, known as turbot, in some parts of the Grand Banks. But it has cautioned that the stock is being fished at the maximum level it can sustain. The turbot "must be protected to allow the stocks to rebuild", it said in a recent report.



Under an agreement signed in 1995, the EU promised to reduce its catch and to increase the mesh size of its fishing nets in the north-west Atlantic.

All vessels in the Grand Banks area are now required to carry an international monitoring officer. The number of infractions has dropped markedly.

Output rises at Debswana Botswana

By Kenneth Gooding, Mining Correspondent, in Gaberone, Botswana

Debswana Botswana, the world's biggest uncut diamond producer in value terms, last year lifted its output by 4.5 per cent from 16.8m carats to 17.7m carats, and expects a further rise this year to about 18.5m carats.

The unlisted company, which accounts for three-quarters of Botswana's export earnings, one-third of the country's gross domestic product and 50 per cent of government revenues, is jointly owned by the Botswanan government and De Beers of South Africa.

It has always been secretive about its finances but Mr Joe Matome, group secretary, said revenues last year reached a record 4.8bn pula (the local currency), equivalent to about US$1.3bn, and were "substantially more" than for 1995.

Mr Matome said revenues were boosted by a significant fall in the value of the pula against the US dollar but the underlying dollar result was also a record.

The extra output this year will result from a switch from six-day to seven-day a week working, which was agreed with the unions at the end of last year. It will substantially boost productivity.

Mr Gavin Beevers, deputy managing director of Debswana, said that output at the Orapa mine would rise by 10 per cent a tonne treated this year from the 1996 level.

At the Jwaneng mine, Mr Derrick Moore, general manager, said the aim was to reduce costs by 10 per cent in the five years from 1995. A 300m pula ($120m) expansion of the Jwaneng mine was finished in 1995.

The next phase in Debswana's expansion will involve Botswana's biggest capital project – a 1.3bn pula ($400m) expansion of the Orapa mine. After being considered for two years, this has been put on a "fast track" for completion by January 2000. It will see Orapa's annual output double from 6m to 12m carats and will take Debswana's total production to a minimum of 24m carats.

Indications are that De Beers is providing most of the finance, but Mr Blackie Marole, permanent secretary at the Ministry of Mineral Resources and Water Affairs, insists Botswana is paying "its fair share".

He said the Botswana government had an extremely good working relationship with De Beers – it owns 5 per cent of the South African group and has representation on the board – but the country was probably too reliant on Debswana.

With this in mind, it was looking again at its minerals legislation and policies to encourage mining companies to explore for other materials, such as gold, platinum, copper and nickel.

Debswana employs more than 6,000 people and nine out of 10 of them are Botswanan. Productivity gains at Orapa came partly from shutting down a metallurgical plant and moving employees to other jobs. There were some redundancies among management and administration staff.

Mr Beevers said: "Our job is to improve the government's returns. Then the government can use that income to create jobs if it wants to. We want to make sure that we remain the lowest cost producer and that if the diamond market goes down every other mine closes but ours."

Oil falls on big build-up of US gasoline stocks

MARKETS REPORT

By Robert Corzine and Maggie Urry

Oil prices fell again yesterday after new figures showed a surprisingly big build-up of gasoline stocks in the US. Brent Blend for June delivery was trading on London's International Petroleum Exchange at around $18.00 a barrel by late afternoon – down 14 cents on Tuesday's close – after hitting a low for the day of $17.83.

Figures from the American Petroleum Institute showed gasoline stocks last week rose by 3.63m barrels. The market had been expecting a fall. Gasoline is currently the most widely watched refined product because the US and Europe are about to enter the "driving season," when demand is highest.

The bearish impact of the figures was exacerbated by publication of another API report which concluded that US gasoline stocks were sufficient to meet a 2.5 per cent increase in demand growth this summer, a figure that the API said was at the high range of industry estimates.

Threats of supply shortage have been affecting both coffee and cocoa prices. Late on Tuesday, the Green Coffee Association of New York reported that stocks of green coffee in the US had risen by 111,000 bags in March to 1.66m bags. However, market expectations had been for an increase of between 200,000 to 350,000 bags, with some estimates much higher.

One broker said the figures "provided a significant reason for the market to rally". Prices moved through resistance points triggering further buying, he said. On Liffe prices continued Tuesday's strength, with May Robusta touching a high of $1,650 a tonne.

Cocoa weakened after Tuesday's gains on uncertainty over supply. Forecasts from the International Cocoa Organisation in February suggested a 225,000 tonne production deficit in the 1996-97 year. However, Mr Lawrence Eagles, of brokers GNI, said he was revising his forecast of the deficit downwards. He said there "could be a lot more cocoa around than traders suggest".

Copper slumped on the London Metal Exchange in the afternoon, causing other base metals to slip lower. However, trading was thin, leading to exaggerated movements. Three-month copper closed down $22 at $2,256.

Nickel closed down $145 at $7,255 after an early attempt to regain the $7,400 level failed. Aluminium ended $8 lower at $1,547.

Placer Dome changes policy on acquisitions

By Scott Morrison in Vancouver

Placer Dome, the Canadian mining company, said it would emphasise grassroots exploration and depend less on costly acquisitions of gold deposits discovered by junior exploration firms.

The company, which expects to raise gold production to 2.7m ounces a year by 2000 against 1.9m ounces last year, said stepping up exploration would help it achieve its goal of increasing reserves by twice as much as it mines every year, while keeping costs down.

Comments by officials at the annual meeting in Vancouver were seen as a signal to small exploration companies that they will no longer be able to command the prices they have in the past, said analysts.

Some have argued that "discoveries" such as Bre-X Minerals' Busang deposit in Indonesia have pushed acquisition costs per ounce of reserves above viable market rates.

Investors have grown wary of junior exploration companies since US mining giant Freeport McMoRan Copper & Gold in March questioned the size of the Busang deposit, which Bre-X Minerals had claimed contained 71m ounces of gold.

However, Mr John Willson, Placer Dome president, said, its projected production increase to 2.7m ounces per year would come from projects and acquisitions already approved.

"Placer seems to be saying they aren't going to continue to pay premium prices for gold in the ground. The other majors will put out the same message as long as gold prices continue to go down," one analyst said.

However, Barrick Gold, another leading Canadian company, said it would continue to focus on increasing reserves through acquisitions, direct exploration and joint ventures.

Placer Dome, which reported a US$65m loss in 1996, said it would apply new technology to identify regions containing deposits larger than 5m ounces to increase gold reserves, which stood at 26m ounces at the end of 1996.

It said it has started production at a site acquired in Papua New Guinea and had recently acquired seven new properties in West Africa, the Philippines, Mexico, Brazil and Kamchatka.

Mr Willson said the company's first-quarter gold output reached 530,000 ounces, up from 476,000 ounces in the fourth quarter last year. Production costs fell from $238 to $225 an ounce in the last quarter of 1996.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1515-6	1550-1
Previous	1518-19	1553-54
High/low		1563/1546
AM Official	1523.5-24.0	1559.5-60.0
Kerb close		1546-7
Open int.	271,333	
Total daily turnover	66,043	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1415-25	1445-50
Previous	1420-30	1451-52
High/low		1455/1450
AM Official	1426-30	1458-59
Kerb close		1448-50
Open int.	5,628	
Total daily turnover	1,958	

■ LEAD ($ per tonne)

Close	632-3	640-1
Previous	631-32	640-41
High/low		644/639
AM Official	633.5-34.5	643-44
Kerb close		638-9
Open int.	36,415	
Total daily turnover	7,146	

■ NICKEL ($ per tonne)

Close	7165-75	7280-85
Previous	7250-55	7360-65
High/low	7285/7283	7460/7255
AM Official	7282-83	7385-90
Kerb close		7255-60
Open int.	49,533	
Total daily turnover	17,322	

■ TIN ($ per tonne)

Close	5665-75	5715-20
Previous	5690-95	5735-40
High/low		5775/5690
AM Official	5705-15	5755-60
Kerb close		5690-95
Open int.	16,156	
Total daily turnover	3,359	

■ ZINC, special high grade ($ per tonne)

Close	1224-5	1247-8
Previous	1222-22.5	1248-48.5
High/low		1262/1237
AM Official	1235-36	1258-59
Kerb close		1239-40
Open int.	87,336	
Total daily turnover	29,224	

■ COPPER, grade A ($ per tonne)

Close	2305-9	2271-2
Previous	2314-15	2276-77
High/low	2321	2293/2256
AM Official	2320-21	2283-84
Kerb close		2256-8
Open int.	135,161	
Total daily turnover	36,312	

■ LME AM Official £/$ rate: 1.6220
LME Closing £/$ rate: 1.6225

Spot: 1.6244 3 mths: 1.6233 6 mths: 1.6207 9 mths: 1.6184

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	106.20	-1.60	107.80	106.00	303	2,115
May	105.15	-1.10	106.80	104.50	4,075	20,081
Jun	104.60	-0.90	105.40	104.40	57	1,661
Jul	104.05	-0.70	105.30	103.50	2,850	10,409
Aug	103.25	-0.70	-	104.50	55	824
Sep	102.45	-0.70	103.40	102.00	88	4,287
Total					7,678	50,708

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	340.10-340.60		
Opening	341.25-341.55		
Morning fix	341.45	210.291	500.566
Afternoon fix	339.90	209.556	498.701
Day's High	341.65-341.95		
Day's Low	337.70-338.00		
Previous close	341.70-342.20		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.50	6 months	4.52
2 months	4.50	12 months	4.51
3 months	4.51		

Silver Fix	p/troy oz.	US cts equiv.
Spot	291.45	472.75
3 months	295.50	478.75
6 months	299.85	485.25
1 year	308.55	498.30

Gold Coins	$ price	£ equiv.
Krugerrand	341-343	210-212
Maple Leaf	-	-
New Sovereign	80-83	49-51

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	341.1	-0.6	341.0	337.0	772	882
May	341.9	-0.6	-	-	1	-
Jun	343.3	-0.6	344.3	339.5	65,860	72,581
Aug	345.8	-0.7	346.8	342.0	74	15,109
Oct	348.4	-0.7	348.9	346.0	75	6,203
Dec	351.3	-0.7	351.6	347.0	86	21,631
Total					74,411	159,410

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	369.8	+5.0	370.0	370.0	1	20
Jul	371.8	+4.3	372.9	366.5	2,504	12,924
Oct	373.9	+4.2	373.0	373.0	18	2,271
Jan	376.1	+4.2	371.0	370.0	39	1,175
Total					2,582	16,398

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Jun	151.00	+0.95	153.25	148.75	1,426	6,702
Sep	151.50	+0.95	152.50	148.75	95	2,599
Dec	152.25	+0.95	-	-	100	326
Total					1,481	9,627

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	476.1	+6.3	-	-	-	2
May	477.0	+6.2	479.5	470.5	5,925	52,024
Jul	482.0	+6.3	484.5	475.5	770	28,489
Sep	486.8	+6.3	488.5	481.0	888	3,657
Dec	494.2	+6.4	497.0	488.0	436	5,911
Jan	496.8	+6.5	498.5	498.5	1	17
Total					17,724	101,823

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels, $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
May	19.59	-0.24	19.85	19.37	45,912	49,519
Jun	19.56	-0.22	19.80	19.36	38,498	94,692
Jul	19.59	-0.21	19.82	19.45	9,984	43,754
Aug	19.59	-0.21	19.70	19.46	3,819	27,437
Sep	19.56	-0.24	19.69	19.45	3,727	17,703
Oct	19.60	-0.19	19.65	19.47	884	16,019
Total					na	418,809

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
May	17.98	-0.23	18.16	17.84	14,130	16,915
Jun	18.04	-0.10	18.05	17.83	15,619	77,628
Jul	18.19	-0.13	18.19	18.03	6,168	27,904
Aug	18.33	-0.11	18.33	18.21	1,904	12,522
Sep	18.34	-0.16	18.35	18.32	215	8,198
Oct	18.38	-0.16	18.43	18.34	379	6,184
Total					na	na

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
May	53.80	-1.05	54.84	53.20	13,897	29,440
Jun	53.00	-0.89	53.67	52.40	8,038	27,265
Jul	53.15	-0.79	53.70	52.75	3,919	21,556
Aug	53.75	-0.69	54.30	53.55	1,082	11,964
Sep	54.40	-0.79	55.40	54.25	708	7,152
Oct	55.30	-0.64	55.65	55.20	779	6,771
Total					30,614	138,956

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	162.75	-2.50	163.75	162.00	5,917	25,329
Jun	163.75	-2.75	164.75	163.50	3,559	9,225
Jul	165.50	-2.75	166.50	165.50	855	6,168
Aug	167.75	-2.25	168.00	167.50	323	4,074
Sep	169.50	-2.25	170.00	169.50	85	2,202
Oct	171.50	-2.25	171.75	171.00	55	2,699
Total					12,435	98,159

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
May	1.971	+0.034	1.980	1.935	12,312	23,669
Jun	2.020	+0.045	2.040	1.975	7,860	27,270
Jul	2.040	+0.022	2.055	2.020	1,657	14,696
Aug	2.060	+0.018	2.070	2.040	837	10,906
Sep	2.070	+0.022	2.070	2.050	1,218	11,514
Oct	2.095	+0.015	2.100	2.078	1,410	13,531
Total					30,124	178,410

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
May	60.50	-1.40	61.95	60.20	12,715	35,344
Jun	60.25	-1.22	61.25	59.90	6,658	36,596
Jul	59.60	-0.97	60.35	59.20	1,062	12,547
Aug	58.60	-0.87	59.00	58.25	218	5,550
Sep	57.45	-0.72	57.90	57.40	125	2,862
Oct	55.90	-0.67	56.00	55.90	80	1,811
Total					21,298	101,788

GRAINS AND OIL SEEDS

■ WHEAT LIFFE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	98.75	-0.15	99.00	98.50	165	1,847
Jul	101.95	-0.05	102.50	101.95	129	1,544
Sep	98.80	-0.15	98.50	98.50	-	46
Nov	100.60	-0.15	101.50	100.50	283	3,266
Jan	102.60	-0.15	103.25	102.50	101	925
Mar	104.60	-0.15	104.70	104.50	137	328
Total					815	8,083

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	406.75	-9	416.25	406.00	6,298	11,295
Jul	415.50	-6.25	421.25	414.00	27,328	51,022
Sep	419.75	-6.75	423.50	419.00	4,341	10,658
Dec	429.75	-4.75	432.75	428.50	4,489	10,093
Mar	432.00	-1	432.00	429.50	87	424
Jul	383.00	-3.5	384.00	382.00	41	208
Total					42,553	83,712

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	297.25	-5.5	303.25	297.00	28,987	98,150
Jul	297.25	-6.75	304.50	296.75	22,219	122,857
Sep	285.00	-5.25	290.75	284.75	2,288	21,373
Dec	282.00	-5.25	287.75	281.00	13,867	99,689
Mar	287.00	-4	291.00	285.50	294	9,602
May	291.50	-3	292.00	290.00	24	600
Total					67,777	357,853

■ BARLEY LIFFE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	91.00	-1.50	-	-	-	129
Sep	95.25	-0.50	-	-	-	28
Nov	97.25	-0.50	-	-	5	790
Jan	99.25	-0.50	99.75	99.75	10	53
Mar	101.25	-0.50	-	-	-	-
May	103.25	-0.50	-	-	-	-
Total					10	1,000

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
May	832.25	-3.75	840.50	824.50	17,115	50,059
Jul	837.50	-3.5	848.00	828.00	41,916	75,747
Aug	822.00	-8.5	831.75	813.00	2,142	12,104
Sep	745.75	-8.75	757.00	741.00	590	6,848
Nov	691.00	-10	703.50	687.00	9,612	38,543
Jan	697.25	-11.25	708.25	695.00	254	2,418
Total					71,680	187,043

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Vol	Open int
May	24.04	-0.14	24.33	24.03	6,285	27,207
Jul	24.45	-0.13	24.75	24.43	9,362	36,647
Aug	24.60	-0.15	24.85	24.62	853	9,308
Sep	24.71	-0.17	24.95	24.67	212	5,432
Oct	24.79	-0.19	25.00	24.72	164	5,197
Dec	24.93	-0.23	25.30	24.90	2,320	15,873
Total					19,198	100,608

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Vol	Open int
May	273.3	-1.7	276.8	270.6	9,741	34,882
Jul	270.5	-2.3	274.5	268.0	10,826	36,028
Aug	261.3	-4.4	266.5	259.0	1,418	10,447
Sep	247.3	-5.7	252.5	247.0	191	6,733
Oct	226.5	-3.8	231.0	225.5	296	6,494
Dec	218.2	-4.1	222.5	217.0	2,240	13,653
Total					24,785	110,008

■ POTATOES LIFFE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	37.0	-8.0	42.0	37.0	25	368
Jun	57.0	-8.0	-	-	-	-
Nov	75.0	-	-	-	-	10
Mar	113.0	+7.0	-	-	-	-
Apr	153.0	+8.0	154.0	148.0	110	1,008
Total					135	1,384

■ FREIGHT (BIFFEX) LIFFE ($10/index point)

	Sett price	Day's change	High	Low	Vol	Open int
Apr	1341	-19	1358	1330	112	756
May	1341	-24	1350	1330	130	732
Jul	1175	-22	1185	1165	35	877
Oct	1295	-20	1295	1295	10	394
Jan	1340	-20	1361	1360	10	52
Apr	1380	-20	-	-	-	-
Total					289	2,868

	Close	Prev
BFI	1392	1420

FUTURES DATA
All futures data supplied by CMS.

SOFTS

■ COCOA LIFFE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	1017	-8	1022	1016	518	16,978
Jul	1032	-10	1037	1031	1,027	16,759
Sep	1043	-7	1048	1042	386	12,992
Dec	1017	-7	1020	1016	432	27,710
Mar	1028	-6	1031	1027	375	28,180
May	1039	-5	1033	1039	21	16,553
Total					2,904	134,374

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Vol	Open int
May	1400	-14	1417	1397	4,399	4,854
Jul	1439	-16	1457	1435	4,728	32,548
Sep	1461	-16	1472	1461	371	12,840
Dec	1484	-14	1494	1482	41	15,494
Mar	1507	-14	1530	1525	572	19,680
May	1529	-14	1540	1540	300	8,206
Total					10,461	95,283

■ COCOA (ICCO) (SDR's/tonne)

Apr 15	Price	Prev. day
Daily	1161.22	1137.32

■ COFFEE LIFFE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	1610	+32	1650	1570	2,456	17,650
Jul	1630	+35	1668	1585	4,410	14,505
Sep	1640	+36	1675	1625	1,251	8,247
Nov	1632	+35	1672	1623	376	3,546
Jan	1602	+30	1635	1595	439	1,338
Mar	1587	+30	1600	1585	38	108
Total					8,968	46,394

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	208.05	+15.65	213.00	203.00	5,381	7,969
Jul	185.30	+10.65	189.00	183.00	4,875	11,220
Sep	169.20	+8.25	166.95	166.95	889	6,807
Dec	151.80	+6.40	151.40	150.50	467	4,125
Mar	142.00	+6.00	142.00	142.00	234	1,380
May	140.00	+6.00	134.00	134.00	22	245
Total					11,903	31,881

■ COFFEE (ICO) (US cents/pound)

Apr 16		Prev. day
Comp. daily	138.62	137.58
15 day average	135.91	134.99

■ WHITE SUGAR LIFFE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
May	307.5	+1	308.5	302.6	1,414	2,903
Aug	307.0	-1.6	308.8	306.0	2,287	11,164
Oct	302.8	-1.9	304.7	301.9	655	3,675
Dec	299.8	-1.9	302.0	300.5	12	1,113
Mar	299.0	-1.5	300.2	298.6	127	628
Total					3,107	18,980

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	10.95	-0.18	11.10	10.87	9,243	55,622
Jul	10.85	-0.16	10.99	10.78	9,607	64,546
Oct	10.68	-0.11	10.78	10.65	2,514	32,345
Mar	10.64	-0.08	10.70	10.61	781	19,123
May	10.59	-0.06	10.65	10.58	333	3,791
Jul	10.55	-0.05	10.56	10.55	195	1,878
Total					22,702	177,789

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	70.88	-0.88	71.76	70.50	5,846	24,230
Jul	72.54	-0.86	73.20	72.20	6,641	25,955
Oct	74.15	-0.50	74.40	73.90	162	2,036
Dec	75.07	-0.53	75.45	74.70	1,447	27,899
Mar	76.30	-0.40	76.35	76.00	39	2,709
May	77.00	-0.35	77.00	76.50	28	640
Total					14,149	78,940

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
May	76.70	+1.90	77.00	74.50	1,501	10,132
Jul	79.20	+1.90	79.60	77.00	1,585	10,519
Sep	81.75	+1.90	82.00	79.90	308	4,818
Nov	84.70	+2.10	84.50	83.00	59	2,120
Jan	86.50	+1.90	86.60	85.00	29	883
Mar	88.40	+1.80	88.25	87.30	167	682
Total					3,440	29,221

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Apr	68.800	-1.5	70.450	68.800	4,762	8,711
Jun	63.900	-1.5	65.375	63.900	10,126	37,900
Aug	63.450	-1.175	64.650	63.125	3,465	24,885
Oct	67.300	-0.8	68.175	66.700	1,193	15,900
Dec	69.350	-0.575	70.050	68.750	501	7,913
Feb	70.250	-0.45	70.650	69.750	162	4,600
Total					20,324	100,645

■ LEAN HOGS CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Apr	75.440	+1.015	74.500	74.125	55	2,070
Jun	83.450	+0.375	83.900	83.025	4,099	15,588
Jul	83.125	+0.5	83.475	82.650	1,982	4,862
Aug	80.425	+0.375	80.600	79.925	967	3,699
Oct	73.575	+0.25	73.650	73.050	573	3,106
Dec	71.150	+0.2	71.400	70.850	358	2,095
Total					7,663	32,416

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
May	84.550	+1.95	84.950	82.250	1,468	3,697
Jul	83.450	+1.875	84.050	81.300	592	2,402
Aug	80.100	+1.3	81.200	79.100	113	738
Feb	72.225	+1.025	73.500	72.400	18	154
Mar	72.000	+1	72.000	72.000	1	8
Total					2,191	7,094

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	May	Aug	May	Aug
1525	22	68	23	40
1550	12	55	38	51
1575	6	44	56	64

■ COPPER (Grade A) LME	May	Aug	May	Aug
2250	63	72	14	80
2300	33	52	39	108
2350	14	36	64	142

■ COFFEE LIFFE	May	Jul	May	Jul
1550	50	143	-	63
1600	10	115	-	85
1650	-	92	-	112

■ COCOA LIFFE	May	Jul	May	Jul
n/a				
n/a				
n/a				

■ BRENT CRUDE IPE	Jun	Jul	Jun	Jul
1800	54	-	-	-
1850	35	-	-	-
1900	22	40	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel)

		+or-
Dubai	$16.61-6.66z	-0.255
Brent Blend (dated)	$17.29-7.30	-0.24
Brent Blend (Jun)	$17.96-7.97	-0.285
W.T.I.	$18.48-8.50z	-0.34

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$199-201	-2
Gas Oil	$165-168	-2
Heavy Fuel Oil	$79-81	-1
Naphtha	$178-180	-4
Jet fuel	$185-187	-2
Diesel	$174-175	-3

■ NATURAL GAS (Pence/therm)

Bacton (May)	10.3-10.4	
IPE (May)	10.350	+0.055

Petroleum Argus. Tel. London (0171) 359 8792

■ OTHER

Gold (per troy oz)♣	$340.35	-1.80
Silver (per troy oz)♣	480.00c	+10.0
Platinum (per troy oz.)	$364.50	
Palladium (per troy oz.)	$149.00	-1.50
Copper	114.0c	
Lead (US prod.)	45.00c	
Tin (Kuala Lumpur)	14.03r	
Tin (New York)	264.50	
Cattle (live weight)	92.89p	-5.69*
Sheep (live weight)	134.86p	-2.43*
Pigs (live weight)†	83.57p	-1.00*
Lon. day sugar (raw)	$272.4	-4.6
Lon. day sugar (wte)	$310.60	+3.1
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	£108.75	
Wheat (US Dark North)	Unq	
Rubber (May)♥	75.00p	
Rubber (Jun)♥	75.00p	
Rubber (KL RSS No1)	281.0x	-1.0
Coconut Oil (Phil)§	715.0y	-5.0
Palm Oil (Malay.)§	552.5z	-12.5
Copra (Phil)§	$470.0y	-10.0
Soyabeans (US)	226.0	+1.0
Cotton Outlook'A' Index	78.95c	-0.30
Wooltops (64s Super)	410p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. w May y Apr/May♥ z Jun London Physical. § CIF Rotterdam. ♣ Bullion market close. * Change on week. †Based on 1,444 head of pigs sold.

Minor metals
European free market, from Metal Bulletin, $ per lb in warehouse, unless otherwise stated (last week's in brackets, where changed). **Antimony:** 99.65%, $ per tonne, 2,350-2,460 (2,325-2,425). **Bismuth:** min. 99.99%, *tonne lots 2.90-3.15*. **Cadmium:** min. 99.95%, cents a pound, 50.00-55.00 (55.00-65.00). **Cobalt:** MB free market, min. 99.8%, 22.80-23.50 (21.85-22.65); min. 99.3%, 20.30-21.30 (19.75-20.45). **Mercury:** min. 99.99%, $ per 76 lb flask, 159-171. **Molybdenum:** drummed molybdic oxide, 4.55-4.75 (4.50-4.70). **Selenium:** min 99.5%, 2.35-3.00 (2.35-3.10). **Tungsten ore:** standard min. 65%, $ per tonne unit (10kg) WO_3, cif, 45-55. **Vanadium:** min. 98%, cif, 3.85-3.90 (3.65-4.00). **Uranium:** Nuexco unrestricted exchange value, 12.25.

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open interest totals are for all traded months.

INDICES

■ Reuters (Base: 18/9/31 = 100)

Apr 15	Apr 14	month ago	year ago
1950.3	1953.9	1976.6	2104.2

■ CRB Futures (Base: 1967 = 100)

Apr 14	Apr 11	month ago	year ago
243.31	244.66		

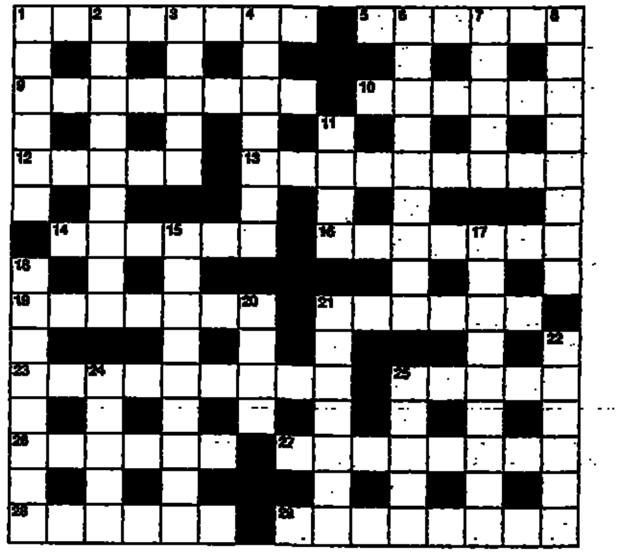
■ GSCI Spot (Base: 1970 = 100)

Apr 14	Apr 11	month ago	year ago
190.85	191.78	192.50	208.55

JOTTER PAD

CROSSWORD

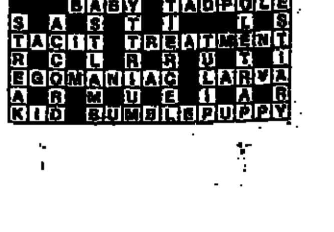
No.9,351 Set by ARMONIE



ACROSS
1 Letter in army camp for Asian islander (8)
5 Mortar used for levelling a long passage (6)
9 Travel at speed round awful mire in Ireland (8)
10 Mournful song for one in factory (6)
12 Abhor having son in hurry (5)
13 I can puree ingredients being cooked for gourmet (9)
14 Insensitive German gets pain that's about acceptable (6)
16 Bargain with loved one leading to scrap (7)
19 Beryl corrupted mere lad (7)
21 Child's in brown study (6)
23 Supporters at the rink finding fish in the desserts (3,6)
25 Escort is well decapitated (5)
26 Insolvent rejected rubbish and litter (6)
27 Love taking time tucking into rabbits or game (8)
28 Mounted princess in the arena (6)
29 Two foreign articles, with student approval, provided the basis (8)

DOWN
1 Awkward pitch upset throw (6)
2 Household fitment Adam helps redesign (9)
3 Brass section in the music of Wagner, Verdi etc (5)
4 Look under batter for fish (7)
6 Scowl one carries finding out price for painter (9)
7 The best of the group settled in eastern Spain (5)
8 Set off for school in time (8)
11 Insults accommodation (4)
15 Restrictive measures to obtain choice feathers (9)
17 Abusive husband's to deliver drink container (5,4)
18 Confuse utterly being crazy in drink (8)
20 Respect customs (4)
21 It is played keeping fool in favour (7)
22 Worthless sample remains inside (6)
24 Journalist accepting medal in Bury (5)
25 One oriental couple (5)

Solution 9,350



FT MANAGED FUNDS SERVICE

● FT Citylina Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Currency Funds Ltd
Pembroke Hall, Pembroke, Bermuda
UK Prof Advisers 0800 414181 Jersey: 01534 71696
Private Clients 0800 414181 00 352 250404230
From O'seas (44) 1732 777377 Hong Kong (852) 848 1000

	Init Notes Chrge	Selling Price	Buying Price	+ or -	Yield Gr's
A$ Accum		A$19.605		+0.008	4.90
ASch Accum		Sch251.57		+0.05	2.10
C$ Accum		C$18.387		+0.009	7.90
DM Accum		DM36.582		+0.008	2.00
DFl Accum		Dfl31.825		+0.005	1.90
ECU Accum		Ecu13.880		+0.003	3.00
FFr Accum		FFr87.793		+0.011	2.10
HK$ Accum		HK$123.72		+0.04	4.40
Lira Accum		L24853		+12	6.30
NZ$ Accum		NZ$41.389		+0.021	6.50
NKr Accum		NKr113.87		+0.02	2.90
S$ Accum		S$28.390		+0.005	2.10
SPta Accum		Pta2506.0		+1.1	4.80
£ Accum		£13.442		+0.006	5.00
SKr Accum		SKr122.81		+0.03	3.00
SFr Accum		SFr28.432		+0.001	0.50
US$ Accum		$24.015		+0.009	4.80
Yen Accum		Y2591.7		—	0.10

Prices for dealing April 16

Jupiter Asset Management (Bermuda) Ltd
PO Box HM1258, Hamilton, Bermuda 001 809 292 2760
Jupiter Tyndall World Umbrella Fund Ltd

	Selling Price	Buying Price	+ or -	Yield Gr's
Eurobond	$15.71	16.50	-0.08	4.37
Money	$14.35	15.08	+0.01	2.91
Mortgage	C$24.34	25.65	-0.05	7.11
North American	$13.76	14.46	-0.15	0.00
Overseas	$16.53	17.36	-0.43	0.00
Tiger	$16.51	17.34	+0.02	0.00
UK Small Cos	£1.51	1.59	+0.01	0.00

Newport Investment Management
20 Reid St. PO Box HM 3280 Hamilton Bermuda
UK: 0171 235 [illegible] Dealing: 01481 707000

	Init Notes Chrge	Selling Price	+ or -	Yield Gr's
Npt. Pacific	5	$4.1857	+0.042	-
Npt Pacific		£2.5085	+0.027	-
Newport Tiger Fd		$6.8000	+0.057	-
Newport Tiger Fd		£4.0686	+0.041	-

Orion Fund Limited
5 Front St., Hamilton, HM11, Bermuda HM 11441 292 6370

	Selling Price	Buying Price	+ or -	Yield Gr's
Orion Apr 10	$29.79		—	—

BERMUDA (REGULATED)(**)

Aristocrat Capital Management Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Aristocrat Endeavour Fd	$22.09		—	—

Bermuda Intl Invest Mgmt Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Anchor Intl Apr 8	$26.60	28.01	—	1.23

Bermuda Bond Funds Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Intl (USD) Cap Apr 9	$51.45	52.02	—	-
Intl (USD) Inc Apr 9	$9.53	9.62	—	8.31
Intl (ECU) Cap Apr 9	Ecu19.45	19.65	—	-
Intl (ECU) Inc Apr 9	Ecu13.03	13.17	—	8.07
Intl (Sterling) Cap Apr 9	£19.07	19.27	—	-
Intl (Sterling) Inc Apr 9	£11.59	11.72	—	8.63

Rothschild Asset Management - Contd.
Five Arrows International Bond Funds

	Init Notes Chrge	Selling Price	Buying Price	+ or -	Yield Gr's
FAIB £ Bond	3¼	£22.19	22.87	+0.03	5.73
FAIB US$ Bond	3¼	$33.15	34.27	+0.08	5.31
FAIB £ Global	3¼	£16.83	17.40	+0.05	5.57
FAIB US$ Global	3¼	$29.76	30.76	+0.12	5.23

Five Arrows International Reserves Ltd

	Selling Price	+ or -	Yield Gr's
FAIRL £	£40.147	+0.019	5.05
FAIRL A$	A$51.289	+0.020	4.98
FAIRL C$	C$67.288	+0.016	2.00
FAIRL DFl	Dfl101.315	+0.016	1.88
FAIRL DKr	DKr403.14	-0.080	2.41
FAIRL DM	DM68.089	+0.017	2.00
FAIRL ECU	Ecu32.399	+0.006	3.05
FAIRL BFr	BFr2061.21	+0.340	2.04
FAIRL FM F	FM802.941	+0.050	2.03
FAIRL FFr	FFr450.44	+0.078	2.13
FAIRL HK$	HK$185.07	+0.058	4.24
FAIRL Lire	L148658	+74.8	5.21
FAIRL NZ$	NZ$47.972	+0.024	6.32
FAIRL NKr F	NKr404.228	+0.065	1.97
FAIRL S$	S$98.023	+0.005	2.23
FAIRL R F	R319.706	+0.392	14.89
FAIRL Pta	Pta6602.55	+1.77	4.73
FAIRL SF	SF77.523	+0.004	0.80
FAIRL SKr	SKr306.85	+0.050	3.04
FAIRL US$	$94.104	+0.024	4.82
FAIRL Yen	Y10114.09	—	0.00
FAIRL Man £	£26.472	-0.005	4.41
FAIRL Man DM	DM87.47	—	1.83
FAIRL Man $	$31.698	+0.011	4.85
FAIRL Man Int	$20.75	+0.008	2.73

Five Arrows Currency Fund Ltd

	Selling Price	+ or -	Yield Gr's
FACFL £	£10.222	+0.004	4.91
FACFL A$	A$15.945	+0.008	4.70
FACFL C$	C$20.16	+0.003	1.88
FACFL DFl	Dfl50.39	+0.008	1.81
FACFL DKr	DKr151.87	+0.030	2.37
FACFL DM	DM40.351	+0.006	1.88
FACFL ECU	Ecu15.780	+0.004	2.82
FACFL BFr	BFr907.09	+0.130	1.84
FACFL FM F	FM70.544	+0.063	0.68
FACFL FFr	FFr169.922	+0.016	1.85
FACFL HK$	HK$101.87	+0.049	4.48
FACFL Lire	L25742	+13.0	8.09
FACFL NZ$	NZ$25.735	+0.012	8.04
FACFL NKr F	NKr101.203	+0.016	1.85
FACFL S$	S$30.264	+0.002	2.13
FACFL R F	R74.286	+0.074	12.95
FACFL Pta	Pta2047.42	+0.740	4.47
FACFL SKr	SKr101.41	+0.030	2.87
FACFL SwFr	SF30.073	+0.031	0.46
FACFL US$	$15.238	+0.006	4.48
FACFL Yen	Y3500	—	0.00

Royal Bk of Canada O/S Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 01481 723021
Global Funds

[illegible]

Royal Bank of Canada Intl Money Market Fd

[illegible]

GT Global - Contd.

[illegible]

Tilney (Ireland) Ltd

[illegible]

IRELAND (REGULATED)(**)

[illegible]

Goldman Sachs

[illegible]

Value Express Fund Plc

[illegible]

Yamaichi Samsung Dynamic Korea Fund

[illegible]

Royal Bank of Scotland International Ltd

[illegible]

Standard Bank Fund Mgmt (Jersey) Ltd

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (REGULATED)(**)

[illegible]

GUERNSEY (REGULATED)(**)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

	Selling Price	+ or -	Yield
Japan Capital Gwth DM	DM2.04	+0.01	-
Japan Emerging Cos	£0.4123	-0.0029	-
Japan Emerging Cos	$0.6699	-0.0041	-
Japan Emerging Cos Yen	Y94.38	-0.70	-
Japan Small Co's	£0.9045	+0.0095	0.00
Japan Small Co's US$	$1.470	+0.009	-
Latin American	£1.587	-0.029	-
Latin American US$	$2.577	-0.046	-
MFS Index Linked Bond	£1.049	+0.004	-
MFS Sterling Bond	£1.053	+0.007	-
Overseas Assets	£1.970	-0.025	-
Reserve Assets Bond	£0.9952	+0.0029	6.5
Selector UK	£1.832	+0.015	-
Selector UK US$	$2.652	+0.026	-
US Small Company	£1.536	+0.003	-

	Selling Price	Buying Price	+ or -	Yield
Malay Sing	$135.02	141.78	+0.73	0.00
Nth American	$42.72	44.86	+0.53	0.00
Octopus Fund	$41.02	43.08	+0.6	0.00
Pacific Fd	$108.91	114.36	+1.48	0.00
International Bond	$19.87	20.87	+0.05	5.20
Europe Fund	$24.63	25.87	+0.29	0.00
Trinity Warrant	$26.58	27.91	+1.08	0.00
Hong Kong	$150.80	158.34	+2.91	0.00
Global Emerging Mkts	$12.05	12.66	+0.07	0.00
Latin America	$15.99	16.80	+0.1	0.00
Currency Fd–US Dollar	$18.58		+0.01	5.03
Curr Fd–Managed $	$56.82	59.66	-0.08	4.34
Korea Feeder Fund	$5.79	6.08	-0.04	0.00
Europe Select Feeder	£1.069	1.125	-0.001	0.00

TO FIND THE BEST INVESTMENTS
We're proud to offer the institutional investor these specialised
IN THE WORLD, YOU HAVE
services: Global Custody, Mutual Fund Services, Investment
TO KNOW WHERE TO LOOK.
Information Services, Investment Management, Cash Management,
AND APPARENTLY, YOU DO.
Pension Fund Services, Securities Lending, Currency Management.
STATE STREET
Serving Institutional Investors Worldwide℠

Murray Johnstone (Dublin) Ltd
Europa House, Harcourt St, Dublin 2 3531 407 2000
Murray Global Accumulation Fund Plc

	Init Notes Chrge	Selling Price	Buying Price	+ or -	Yield Gr's
Murray Financials Bond	2	105.76		+0.14	6.67
US Dollar Financials Bond	2	$1.0063		+0.007	-

Odey Asset Management Ltd
60 Harcourt Street, Dublin 2 00 3531 780 2400

	Selling Price	Buying Price	+ or -	Yield Gr's
Odey European Gth Inc	DM187.53		—	-
Odey European Gth Acc	DM188.22		—	-
Odey European Gth Inc	£67.06		—	-
Odey European Gth Acc	£67.31		—	-

Old Mutual International Fd Mgrs Ltd (b)

[illegible]

Baring Mutual (Ireland) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Umbrella Fund Inc	$12.91	13.30	—	0.00
Pacific Emerging 94 A	$70.21		—	0.00
Pacific Emerging 94 B	$38.08		—	0.00
Latin America	$9.82		+0.04	0.00
Taiwan Fund NAV	$13.82		—	0.00

Berkshire KITC Growth Fund Plc

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$5.82		—	-

Berkshire Korea Fund Plc

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$1.59		—	-

Blackstone Franks Managers Ireland Ltd

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Abtrust Fund Mngrs Luxembourg SA (u)
4 Boulevard Royal L 2449 Luxembourg 00 352 227001
Abtrust Atlas Fund

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Global Cap Portfolio		$3.875		+0.029	-
United States Portfolio		$5.7296		+0.074	-
Contl Europe Portfolio	0	DM7.858		+0.129	-
Japan Portfolio		£0.549		+0.002	-
Pacific Portfolio		$5.338		-0.001	-
Gold Portfolio		$5.418		-0.083	-
UK Growth of Income		£2.229d		+0.012	3.81
Dollar Portfolio		$1.848d		+0.001	7.03
Sterling Portfolio		£1.0373d		+0.002	6.30

Aetna Master Fund (u) (x)
21 avenue de la Liberte, L-1931, Lux 00 352 2954 941

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Australasian NAV		A$17.18		+0.12	-
Austrian Nat NAV		Sch68.92		-0.38	-
Belgo/Lux NAV		BFr898.63		+10.21	-
Dutch Nat NAV		Dfl47.72		+0.98	-
French Nat NAV		FFr150.11		+2.22	-
German Nat NAV		DM21.13		+0.27	-
Hongkong Nat NAV		HK$127.79		+1.98	-
Italian Nat NAV		L15870		+180	-
Japanese Nat NAV		Y1751		+7	-
Spanish Nat NAV		Pta1543		+32	-
UK Nat NAV		£11.09		+0.05	-
United States Dlr Res		$11.14		—	-

Prices quoted are "A" shares

American Phoenix Investment Portfolios (u)
13 rue Goethe, L-1637 Luxembourg 00 352 404645211

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
European Multinational Pfolio		Ecu21.78		+0.15	-
European Multinational Pfolio		$24.68		+0.24	-
European Multinational Pfolio		£15.22		+0.21	-
European Multinational Pfolio		L41907		+339	-
European Multinational Pfolio		DM42.56		+0.24	-
Global Multinational Pfolio		Ecu19.74		+0.11	-
Global Multinational Pfolio		$22.35		+0.19	-
Global Multinational Pfolio		£13.79		+0.17	-
Global Multinational Pfolio		L37971		+243	-
Global Multinational Pfolio		DM38.56		+0.16	-
US Growth Companies		$14.20		-0.14	-
US Growth Companies		£8.78		-0.08	-
US Growth Companies		L24121		-233	-
US Growth Companies		DM24.49		-0.36	-
US Real Estate Securities		$14.48		+0.11	-
US Real Estate Securities		£8.93		+0.1	-
US Real Estate Securities		L24594		+132	-
US Real Estate Securities		DM24.97		+0.07	-

BAII Asset Management Ltd
10 Piccadilly, London W1V 0EE 0171 734 3700

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Inmarket NAV Mar 31 F		$647.90		+3.13	-
Intraportfolio Fund					
Convertible (US$) Mar 31		$717.28		—	-
Convertible (FFr) Mar 31 F		FFr3065.12		—	-
Intl Bond (US$) Mar 31		$382.92		—	-
Comfort (US$)	2	$532.71		—	-

Bank Von Ernst & Cie AG
Marktgasse 63/65, 3001 Berne, Switzerland 0041 313291111

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
UK Equity		£15.77		+0.08	-
UK Smaller Co's Eqty		£27.38		+0.02	-
Nth American Equity		$14.60		-0.18	-
US Smaller Co's Eqty		$19.90		-0.13	-
Pacific Basin Equity		$15.43		+0.14	-
Japanese Equity		Y516		+2	-
European Equity		DM12.84		+0.28	-
Swiss Equity		SFr13.58		+0.16	-
Sterling Fixed Int		£15.33		+0.08	-
Sterling Fixed Int Dtr		£10.22		+0.05	-
European Fixed Int		DM13.28		+0.05	-
European Fixed Int Dtr		DM8.11		+0.04	-
DM Bond Cap		DM11.64		+0.02	-
DM Short Term Cap		DM10.13		—	-
Global Equity		$13.02		+0.15	-
Global Bond		$13.10		+0.01	-
Global Bond Dtr		$8.38		+0.02	-
Global Managed		DM9.45		+0.27	-
Swiss Franc Short Term Dtr		SFr9.78		(z)	-
Swiss Franc Short Term Cap		SFr9.79		+0.01	-
Swiss Franc Bonds Dtr		SFr10.03		(z)	-
Swiss Franc Bonds Cap		SFr10.04		+0.01	-

Banque Indosuez
39 Allee Scheffer, L-2520 Luxembourg 00352 47671

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Indosuez European Small Cos		DM14.85		—	-
Indosuez Multimedia		$13.76		—	-

Barclays Diversified Portfolio (z)
50 avenue J.F. Kennedy, L-2951 352 4799 2939

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
BPB Deutschmark Reserve		DM36.47		—	-
BPB Sterling Reserve		£12.77		—	-
BPB US Dollar Reserve		$24.19		—	-
BPB European Bond		Ecu23.35		—	-
BPB North American Bond		$25.05		—	-
BPB Europe		Pta653		—	-
BPB Emerging Markets		$21.42		—	-
BPB Europe		Ecu20.77		—	-
BPB Japan		$20.87		—	-
BPB Pacific Rim		$37.19		—	-
BPB United Kingdom		£18.07		—	-
BPB United States		$38.12		—	-
BPB Hedged Global Bd Dtr		$24.36		—	-
BPB Hedged Global Bd Stg		£12.92		—	-
BPB Hedged Global Bd FFr		FFr122.7		—	-

Barclays Inv Funds (Luxembourg)
26 Place de la Gare, L-1616 00 352 404344
Equity Funds

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
European Equity	5¼	£1.686	1.792	+0.032	0.2
Intl Equity	5¼	£1.958	2.080	+0.031	0.9
North Am Eqty	5¼	$35.78	38.30	+0.822	-
Pacific Eq	5¼	£9.832	10.240	+0.158	0.4
UK Equity	5¼	£1.567	1.666	+0.011	2.2
Bond Fund					
International Bond	3½	$98.53	100.91	+0.249	6.0

CMI Asset Management (Luxembourg) SA
166 route d'Arlon, L-8010 Strassen Lux 00 352 3178311
CMI Managed International Fund (u)

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
International Bond		£1.141	1.215	(z)	4.818
International Mixed		£1.411	1.503	(z)	1.090
International Equity		£1.455	1.550	(z)	-
CMI Global Network Fund (u)					
Australasian Equity		A$18.471		(z)	0.927
Benelux Equity		Dfl43.641		(z)	0.438
Canadian Equity		C$15.304		(z)	-
Emerging Asia Equity		$9.776		(z)	-
French Equity		FFr82.429		(z)	-
German Equity		DM32.979		(z)	0.110
Greater China		$18.241		(z)	-
Iberian Equity		Pta1585.30		(z)	0.199
Irish Equity		I£6.584		(z)	0.039
Italian Equity		L8655.60		(z)	-
Japanese Equity		Y1088.500		(z)	-
Latin American Equity		$11.353		(z)	0.518
Nordic Equity		SKr84.134		(z)	-
SE Asia Equity		$21.617		(z)	0.199
Swiss Equity		SFr34.812		(z)	-
UK Equity		£9.315		(z)	1.827
US Equity		$23.885		(z)	0.106
Japan Index Tracking		Y737.590		(z)	-
UK Eqty Index Tracking		£3.387		(z)	1.868
US Eqty Index Tracking		$20.687		(z)	0.507
German Bond		DM24.369		(z)	3.583
Japanese Bond		Y1741.20		(z)	2.819
Swiss Bond		SFr23.594		(z)	2.854
UK Bond		£6.508		(z)	6.044
US Bond		$17.148		(z)	5.959
Stg Currency Reserve		£5.0178		(z)	5.442
US Dlr Currency Reserve		$10.0178		(z)	4.716
DM Currency Reserve		DM49.863d		(z)	1.624

Chase Manhattan Vista Funds
5 Rue Plaetis, L2338 Luxembourg 00 352 4626 85555

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
US Dollar Income		$1.00		—	4.774
US Government Securities		$101.87		—	-
Global Bond		$108.29		—	-
US Large Cap Equities		$244.36		—	-
US Mid Cap Equities		$148.04		—	-
International Yield	5 C	$104.83		—	-
Europe Equities		$146.23		—	-
Japan Equities		$94.85		—	-
Japan Small Cap Equities	5 C	$79.04		—	-
South East Asia Equities		$157.18		—	-
Latin American Equities		$198.10		—	-

Comgest SA
58 rue de Londres, 75008 Paris 00 331 4470 7510

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Comgest Europe SICAV		SFr2387.89		—	-

Commercial Union Luxembourg SA (u)
26 Place de la Gare, L-1616 00 352 402820261
Internet: http://www.cupp.lu E-mail: cupp@cupp.lu
Commercial Union Privilege Portfolio
Equity Funds

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Monthly Income		£1.0949	1.1648	+0.01	7.41
Global Managed		£2.5796	2.7443	+0.03	-
Far Eastern Grwth		$3.1211	3.3203	+0.04	-
American Grwth		$3.9032	4.1523	+0.04	-
European Grwth		Ecu3.1562	3.3577	+0.04	-
Japanese Grwth		Y120.887	128.525	+1.15	-
UK Growth		£1.7995	1.9144	+0.01	-
Italian Grwth		L2075.74	2208.23	+15.86	-
Spanish Grwth		[illegible]	324.7184	+3.09	-
Dutch Grwth		[illegible]	12.0844	+0.18	-
Belgian Grwth		[illegible]	178.0338	+2.10	-
French Grwth		[illegible]	13.3840	+0.23	-
German Growth		DM3.8783	4.1259	+0.02	-
Gold Share		$1.0095	1.0739	-0.02	-
Emerging Countries		$1.8673	1.9871	+0.01	-
Reserve Funds					
Dollar Reserve Acc		$12.3219	12.4414	—	4.67
Yen Reserve Acc		Y1058.81	1071.273	-0.10	-
D mark Reserve Acc		DM13.3663	13.5013	—	2.42
Stg Reserve Acc		£1.6383	1.8548	—	5.49
Stg Reserve Dtr		£1.0063	1.0165	—	5.48
Bond Funds					
D'mark Bond Acc		[illegible]	66.1950	+0.14	6.77
Peseta Bond Acc		[illegible]	422.6743	+0.90	8.85
Peseta Bond Dtr		[illegible]	25.8117	+0.27	8.85
Sterling Bond Acc		[illegible]	200.2225	+0.80	8.63
US $ Bond Acc		[illegible]	164.0261	+0.46	5.34
Worldwide Bond Acc		[illegible]	85.3692	-0.04	6.38

DB Investment Management SA
2 Boulevard Konrad Adenauer, Lux. 00 352 421011

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Eurorenta		DM93.32	96.12	—	-
Dollarenta		$68.59	70.65	—	-
DM Reserve		DM181.61	182.61	—	-

Danske Fund (u)
2 rue du Fossé, L-2011 Luxembourg 00 352 461275024

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Danish Bond Acc		DKr201.570		—	-
Danish Bond Dis		DKr115.030		—	-
International Bond Acc		Ecu13.601		—	-
International Bond Dis		Ecu10.949		—	-
Danish Equities Mgd		DKr167.890		—	-
Nordic Equities Mgd		Ecu21.774		—	-
Intl Equities Mgd		Ecu16.116		—	-
Short Term Acc		Ecu11.587		—	-
Short Term Acc	3	DM26.893		—	-

Den norske Bank
2 boulevard Royal, Lux 00 352 4580 3271

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
DnB Inv Nordic Bio Cap Apr 16		NKr15072.82		+78.82	-
DnB Inv Nordic Eq Cap Apr 16		NKr18701.81		+124.18	-
DnB Inv European Equity Cap		NKr13827.42		+21.38	-
DnB Inv Worldwide Cap Apr 16		$2403.00		-3.11	-
DnB Inv Norwegian Cash Cap		NKr10918.38		+0.84	-
DnB Inv Balanced Port Cap		NKr13008.12		+80.15	-
DnB Inv US Large Cap		NKr12065.03		+27.18	-

Dolphin Intl Investments (u) SICAV
6 d route de Treves L-2633 Luxembourg 01534 27391

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Cond Capital Builder		£1.1228		-0.0167	-
Intl Growth & Income		$6.4865		-0.0631	-
International Bond		$5.0568		-0.0140	-

Dresdnerbank Asset Magmt SA (u)
6A route de Treves L-2633 Senningerberg 00 352 4634631

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
DH-Lux Bondspark (inc)		DM78.15	80.49	—	-
DH-Lux Bondspark (GM)		DM119.79	122.35	—	-

E.T. Investment Management Ltd
13 Rue Goethe, BP 413, Luxembourg 00 352 404646217

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Establishment Tst Apr 11		$2.60		+0.02	-

Eigistan Global SICAV (u)
13 Rue Goethe, L-1637, Luxembourg 00 352 404646213

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Equity Portfolio Apr 10		$2.4128		+0.032	-
Reserve Portfolio Apr 10		$1.0439d		-0.019	-

For EquiFund – Wright National see Aetna Master Fund

Fidelity Funds (u)
Kansallis Hse, Place de L'Etoile, L-1021 Lux BP 2174
Uk-01732 777377 Lux-00 352 250 404 230
Major Market Funds

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
America		$2.475		+0.054	-
Europe		DM6.276		+0.086	-
International		$17.64		+0.27	-
Japan		Y134.4		+0.9	-
Pacific		$7.940		+0.036	-
South East Asia		$2.745		-0.008	-
Country Select Funds					
ASEAN		$17.89		-0.19	-
Asian Special Situations		$10.74		-0.02	-
Australia		A$17.02		+0.11	-
Emerging Markets		$8.885		+0.029	-
European Smll Cos F		DM17.99		+0.15	-
France		FFr105.8		+1.5	-
Germany		DM35.33		+0.52	-
Hong Kong		$30.45		+0.11	-
Iberia		Pts2516		+46	-
Indonesia		$11.60		-0.02	-
Italy		L17558		+324	-
Japan Smllr Cos		Y606.8		-1.3	-
Korea		$6.965		-0.032	-
Latin America		$10.01		+0.08	-
Malaysia		$31.70		-0.87	-
Nordic		SKr233.4		+4.3	-
Singapore		$24.03		-0.13	-
Switzerland		SFr18.33		+0.17	-
Taiwan		$9.975		-0.023	-
Thailand		$21.47		+0.01	-
United Kingdom		£1.237		+0.004	-
Bond Funds					
European		Ecu11.49		+0.02	6.09
International		$1.003		—	5.42
US Dollar		$5.518		+0.003	5.99
Sterling		£0.2534		+0.006	7.11
Balanced					
European Balanced		DM14.83		+0.17	1.82

Prices as at April 15

Fleming Group (u)
6 Route De Treves L-2633 Senningerberg Luxembourg
00 352 34101 or 0800 960 784
Internet: http://www.flemings.lu
Fleming Flagship Fund (daily dealing)

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
FFF American		$38.87	39.32	+0.70	-
FFF Amer Flexing F		$58.65	62.05	+0.95	-
FFF Amer Smaller Cos F		$9.92	10.49	+0.16	-
FFF China		$16.60	17.58	+0.25	-
FFF Continental Europe F		£45.63	48.64	+0.51	-
FFF DM Balanced F	5	DM11.58	12.28	+0.04	-
FFF DM Bond	3	DM11.18	11.56	+0.03	6.50
FFF Eastern European F		DM29.93	31.34	+0.18	-
FFF Eastern Opps		$21.66	22.91	+0.26	-
FFF Emerging Markets F		$10.26	10.98	+0.10	-
FFF Emerging Markets Debt F		$14.51	15.36	+0.03	-

Fleming Group - Contd.

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
FFF European		DM44.23	46.79	+0.48	-
FFF European Smlr Cos F		DM26.53	28.07	+0.18	-
FFF Global Conv F		$17.61	18.63	+0.05	-
FFF India H		$9.68	10.24	-0.02	-
FFF Intl Bond F		$13.35	14.12	+0.06	-
FFF Intl Equity F		DM79.65	84.27	+0.58	-
FFF Japanese		$13.79	14.52	+0.09	-
FFF Japanese Smllr Cos F		$5.21	5.51	-0.01	-
FFF Latin American		$13.43	14.20	+0.09	-
FFF Pacific		$21.32	22.55	+0.13	-
FFF Sterling Bond		£1.071	1.133	+0.005	7.50
FFF UK Enterprise		£5.55	5.87	+0.04	-
FFF US Discovery		$40.91	43.07	+0.11	-
Fleming Flagship Series II (Daily Dealing)					
DM Class F		DM12.452		+0.001	2.64
FFr Class F		FFr64.323		+0.005	2.80
ITL Class F		L22206		+4.000	6.78
£ Class F		£5.243		+0.001	5.62
US$ Class F		$12.066		+0.001	5.16
Dachs Fund Sicav					
International Equity F	5 CE	$10.01	10.6644	—	-

Foreign & Colonial Emerging Markets Ltd (u)
Exchange Hs, Primrose St, Ldn, EC2A 2NY 0171-628 1234
F&C Emerging Markets

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Argentinian Inv Co F		$23.38		+0.46	-
Brazilian Inv Co SICAV F		$30.77		+0.02	-
Global Emerging Mkts Inv Co SICAV F		$10.59		+0.09	-
Latin Amer Inv Co SICAV F		$11.93		+0.03	-
Mexican Inv Co SICAV F		$24.60		+0.24	-

Foreign & Colonial Portfolios Fd Sicav(u)
33 Boulevard Prince Henri, L-1724 Lux 00 352 2266 211

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Am Smlr Cos Eq F		$30.93		+0.14	-
Japanese Smlr Cos Eq F		Y786.00		+5.00	-
European Smlr Cos Eq F		Ecu17.47		+0.10	-
Emerging Asian Eq F		$22.32		+0.15	-
Sterling Beta F		£10.02		—	-
Sterling Distribution F		£9.12		+0.07	-

Frontrunner I (u)
672 rue de Neudorf, Luxembourg 00 352 43887350

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
European Equities		Ecu155.85		—	-
Global Bonds		DKr170.21		—	-
Global Bonds		DM149.22		—	-
Sterling Fund		£188.54		—	-
Danish Bonds		DKr173.97		—	-
Swedish Bonds	3	SKr122.91		—	-
German Bonds		DM103.85		—	-
Dollar Bonds	3	$89.61		—	-
Scandinavian Equities		Ecu253.08		—	-
Far East Equities		Ecu80.82		—	-
North American Equities	5	$180.09		—	-
Danish Kroner Reserve		DKr110.09		—	-
Swedish Kronor Reserve		SKr115.63		—	-
German Mark Reserve		DM107.35		—	-
US Dollar Reserve	3	$99.60		—	-
ECU Reserve		Ecu109.78		—	-
Garant 2/1998	3	DM111.13		—	-
Bonds 2/1998	3	DM102.30		—	-
Bonds 2/1999		DM101.45		—	-
Danish Mortgage Bonds		DKr99.45		—	-

GT Global
(44) 171 710 4567 London (852) 2842 7200 Hong Kong

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
GT Europa A		$74.76	78.69	+1.15	0.00
GT Europa A		£46.12	48.55	+0.71	0.00
GT Europa B		$74.85		+1.15	0.00
GT Europa B		£45.18		+0.71	0.00
GT Investment A		$34.69	36.52	+0.31	0.00
GT Investment A		£21.40	22.53	+0.19	0.00
GT Investment B		$34.74		+0.32	0.00
GT Investment B		£21.43		+0.20	0.00
GT US Small Cos A		$29.69	31.25	+0.18	0.00
GT US Small Cos A		£18.32	19.29	+0.11	0.00
GT US Small Cos B		$29.74		+0.18	0.00
GT US Small Cos B		£18.35		+0.11	0.00

For Gartmore see Luxembourg (Regulated)

HSBC Investment Funds Luxembourg SA (u)
7 rue du Marche-aux-Herbes L-1728 Luxembourg
Dealing: 00 352 47881 2220 Fax: 475569
HSBC Global Investment Funds
International and Regional Funds

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Asian Equity		$29.90	31.58	+0.13	-
International Emerging Mkts		$10.59	11.18	+0.01	-
International Managed Equity		$16.31	17.22	+0.22	-
North American Equity		$17.97	18.98	+0.73	0.00
Pan-European Equity		$16.16	17.06	+0.26	-
Market Specific					
Chinese Equity		$27.41	28.93	+0.23	-
Hong Kong Equity		$54.43	57.45	+0.61	-
Indian Equity F		$9.46	9.99	+0.01	-
Japanese Equity		$9.72	10.26	+0.06	-
Malaysian Equity		$34.56	36.48	-0.03	-
Singaporean Equity		$27.56	29.09	+0.34	-
Bond and Reserve Funds					
International Managed Bond		$12.26	12.94	+0.10	-
Sterling Bond		£5.06	5.35	+0.04	-
US Dollar Bond		$10.09	10.65	+0.04	2.06
US Dollar Reserve		$8.46	8.95	—	-

Midland Intl Circuit Fund SICAV(u)
Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 01534 606000

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
UK Growth		£1.519	1.6	+0.01	1.03
European Growth		$1.885	1.984	+0.018	-
European Opps		$4.547	4.729	+0.047	0
Japan Growth		£0.648	0.693	-0.004	-
Japanese Opps		$1.813	1.888	+0.003	-
Pacific Growth		£1.918	2.021	+0.018	-
Nth American Growth		£1.82	1.916	+0.023	-
American Opps		$3.985	4.198	+0.083	-
UK Fixed Interest		£1.224	1.288	+0.007	5.75
Multicurrency Bond		£1.128	1.178	—	6.04
UK Stg Liquidity		£0.354d	0.355	—	5.45
US$ Liquidity		$1.57d	1.59	—	4.15

For Kiwi see Luxembourg (Regulated)

Nikko Global Umbrella Fund
16 Bld Royal, L-2449 Luxembourg 00 44 171 222 2326

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Japan Ret Rev YEN		Y805	811	—	-
Japan Ret Rev USD		$6.39	6.43	—	-
Japan Ret Rev Stg		£3.92	3.95	—	-
JASDAQ A		Y693	701	—	-
JASDAQ B		$7.30	7.35	—	-
Asia Conv Bond		$10.43		—	-
Asia-Pacific		$16.98	17.32	—	-
Hong Kong		$20.62	21.10	—	-
Indonesia		$11.40	11.84	—	-
Malaysia		$13.71	13.99	—	-
Oceania		$15.59	16.33	—	-
Philippines		$17.07	17.43	—	-
Singapore		$15.23	15.60	—	-
Thailand		$8.87	9.05	—	-

Nomura Global Fund (u)
1 St Martin's-le-Grand, EC1A 4NP 0171 236 8811

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Asia Pacific P'folio		$9.24		(z)	-

PRICOA Worldwide Inv Portfolio Sicav (u)
47 Boulevard Royal, L-2449. Lux 00 352 4640101

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
European Growth A		$14.40		+0.17	-
European Growth B		$14.40		+0.17	-
Pacific Growth A		$16.38		-0.03	-
Pacific Growth B		$16.38		-0.03	-
Global Bond A		$10.00		+0.02	-
Global Bond B		$10.00		+0.02	-
US Growth A		$24.05		+0.24	-
US Growth B		$24.05		+0.24	-
US High Yield A		$9.82		—	-
US High Yield B		$9.82		—	-

Rothschild Asset Management
20 Blvd E Servais, L-2535, Lux 00 352 47934 6295
Domiciled at B co G Edmond de Rothschild Luxembourg
Five Arrows Global Funds (u)

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Japan Recovery		$9.12107		—	-
Asian Opportunities		$13.94214		—	-
Japan Small Cos		$4.88791		—	-
Asian Smaller Cos		$9.20435		—	-
Latin American Opportunities		$9.45647		—	-
India		$10.40117		—	-
Global Emerging Markets		$9.57199		—	-

S-E-Banken Luxembourg SA
16 Boulevard Royal, L-2449, Luxembourg
Skandifonds
Skandifond Equity Fund

	Init Charge	Selling Price	Buying Price	+ or -	Yield Gr's
Equity Intl. Acc	1	$20.66	20.87	+0.14	-
Equity Global	1	$1.92	1.95	+0.02	-
Equity Natural Res	1	$1.39	1.41	+0.01	-
Equity Japan Acc	1	Y83.52	84.38	+0.82	-
Equity UK	1	£2.25	2.28	+0.01	-
Equity Nordic	1	$2.67	2.7	+0.03	-
Equity North America	1	$3.25	3.29	+0.03	-
Equity Mediterranean		$1.2	1.22	+0.02	-
Equity Contl Europe	1	$2.36	2.39	+0.03	-
Skandifond Far East					
Far East Global	1	$5.18	5.25	+0.05	-
Skandifond Bond Fund					
Bond Intl. Acc	1	$14.56	14.72	-0.05	-
Europe Bond Acc	1	$2.03	2.06	+0.02	6.34
Bond DEM Acc	1	DM1.56	1.59	—	6.27
Bond USD Acc	1	$1.86	1.88	+0.01	4.47
Bond Sweden Acc	1	SKr23.34	23.58	+0.03	8.40
Swedish Flexible Bond Acc	1	SKr13.35	13.49	+0.01	-
Skandifond International Sicav					
Intl Emerging Markets		$1.34	1.37	+0.01	-
Eastern Europe	1	$1.1758			

Aetna International Umbrella Fund (u)
Regional Equity Funds

	Selling Price	Buying Price	+ or -	Yield Gross
American Equity	$12.97		+0.20	-
Asian Equity	$24.92		+0.23	-
Australian Equity	A$7.91		+0.06	2.01
European Equity	$14.20		+0.28	-
Japanese Equity	Y349		+3	-
UK Equity	£11.20		+0.05	2.39
Specialist Funds				
American Smaller Cos	$6.64		+0.09	1.38
Emerging Asia	$5.97		-0.01	-
Emerging Europe	$11.69		+0.11	1.10
Latin American	$3.24		+0.03	0.35
UK Smaller Cos	£11.32		+0.02	2.82
Bond Funds				
Australian $ Bond	A$5.10		+0.03	5.1887
Canadian $ Bond	C$5.97		+0.01	5.1919
Deutschemark Bond	DM4.99		+0.04	3.9337
Mngd European Bd	$5.29		+0.02	3.9039
Sterling Bond	£5.48		+0.03	5.0238
US Dollar Bond	$5.13		+0.01	5.3307
Yen Bond	Y563		+1	2.0074
Reserve Funds				
Deutschemark Res	DM1.00		—	[illegible]
Sterling Reserve	£1.00		—	[illegible]
US Dollar Res	$1.00		—	[illegible]
Yen Reserve	Y100.00		—	-

Prices quoted are "A" shares

Alliance Capital
Growth Funds

	Selling Price	Buying Price	+ or -	Yield Gross
Intl Healthcare A Apr 15	$82.28	87.77	+1.91	-
Intl Healthcare B Apr 15	$78.78		+1.83	-
Intl Healthcare AX* Apr 15	$82.55	88.46	+1.93	-
Intl Healthcare BX* Apr 15	$79.41		+1.84	-
Intl Technology A Apr 15	$60.05	64.05	-0.62	-
Intl Technology B Apr 15	$59.13		-0.61	-
Intl Technology I Apr 15	$60.77	64.82	-0.62	-
Asian Technology A	$9.42	10.05	+0.08	-
Asian Technology B	$9.35		+0.05	-
Asian Technology H	$9.4	9.59	+0.08	-
Asian Technology I	$9.47	9.92	-0.08	-
India Liberalisation A Apr 15	$8.90		—	-
India Liberalisation B Apr 15	$8.79		—	-
Middle East Opps C A Apr 15	$19.04		+0.13	-
Middle East Opps C B Apr 15	$18.61		+0.13	-
US Growth Strategies A Apr 14	$11.55		—	-
US Growth Strategies B Apr 14	$11.42		—	-
US Growth Strategies I Apr 14	$154.25		-8.41	-
US Growth Strategies II Apr 14	$150.42		-11.30	-
Turkish Growth A			—	-
Turkish Growth B			—	-
Turkish Growth I			—	-
Turkish Growth III Apr 10	$17.07		—	-
Closed-End				
Spanish Smaller Cos Apr 9	$13.08		—	-
Spanish Smaller Cos Apr 9	Pta1905		—	-

*Offer price depends on jurisdiction

Amas Bank (Switzerland) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Hedged-Amas Bond	$1052.45		—	-

The Archipelago Fund Sicaf

	Selling Price	Buying Price	+ or -	Yield Gross
The Archipelago Fund	$100.78		—	-

Asian Development Equity Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Portfolio A Apr 11	$32.30		—	-
Portfolio B	$12.41		—	-

Atlantas Sicav

	Selling Price	Buying Price	+ or -	Yield Gross
American Dynamic Apr 15	$302.57		—	-
American One Apr 15	$352.50		—	-
Bond Global Apr 15	DM387.62		—	-
Eurocroissance Apr 15	DM890.76		—	-
Far East Apr 15	Y29128		—	-

Credit Commercial de France

	Selling Price	Buying Price	+ or -	Yield Gross
Euro Smlr Cos Class A	Ecu22.12		—	-
Euro Smlr Cos Class B	Ecu22.12		—	-

Daiwa Japan Gem Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Daiwa Japan Gem	$6.52	6.82	—	-

Daiwa Japan Small Equity Fd (u)

	Selling Price	Buying Price	+ or -	Yield Gross
Daiwa Japan Small Eq	$3.53		-0.01	-

Dicam Worldwide Investment Fund

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$29.15		—	-

The Dragon Fund Sicav

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Apr 8	$34.98		—	-

Egypt Trust

	Selling Price	Buying Price	+ or -	Yield Gross
Shares NAV	$18.58		—	-

Emerging Markets Brewery Fund SICAV

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$3.74		—	-

The European Asset Value Fund

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Apr 10	$13.64		-0.22	-

FMG Mlr SICAV

	Selling Price	Buying Price	+ or -	Yield Gross
CSA Balanced	$34.54		—	-

Fidelity Intl Inv Mngt (Luxembourg) SA

	Selling Price	Buying Price	+ or -	Yield Gross
New Europe Fd	$24.95	26.30	+0.12	0.21

Fidelity Investment (CI) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Far East	$34.58	37.31	+0.46	0.11
Frontier	$48.75	51.39	—	0.20
Global Selector	$20.19	21.19	-0.05	-
Orient	$96.20	98.51	+0.72	-
Special Growth	$32.86	34.83	-0.03	0.13
World	$142.56	149.88	+2.11	0.17

The First Korea Smaller Companies Fund

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Mar 31	$10.76		-0.41	-

Fischer Francis Trees & Watts
FFTW Funds Selection

	Selling Price	Buying Price	+ or -	Yield Gross
BEF Hedged Global Bond B	BFr10536		—	-
CHF Hedged Global Bond B	SFr1053.31		—	-
DEM Hedged Global Bond B	DM1056.64		—	-
NLG Hedged Global Bond A	Dfl1059.57		—	-
USD Global Bond A	$1018.42		—	-

Fleming Group
Fleming Fund Management (Lux)

	Selling Price	Buying Price	+ or -	Yield Gross
Japan Warrant NAV	$0.51			-
FF Portfolio	$17.47	18.48	+0.17	-
Fleming Frontier Fund SICAV				
European Discovery	$20.32	21.39	+0.01	-
Frontier Russia	$17.92	18.87	-0.16	-
Global Equity(1713-1)	$1.08	1.14	+0.01	-
Fleming Guaranteed Fund				
CSO Pacific Guarantee A	$80.77	84.79	+0.01	-
CSO Pacific Guarantee B	$80.74	88.43	-0.56	-

Merrill Lynch Asset Management - Contd.
Latin American Portfolio

	Selling Price	Buying Price	+ or -	Yield Gross
Class A	$15.68		(z)	-
Class B	$15.03		(z)	-
Class A	£9.66		—	-
Class B	£9.26		—	-
World Natural Resources Portfolio				
Class A	$13.29		(z)	-
Class B	$12.41		(z)	-
Dragon Portfolio				
Class A	$17.84		+0.14	-
Class B	$17.01		+0.14	-
Class A	£10.84		+0.08	-
Class B	£10.46		+0.08	-
Global Allocation Portfolio				
Class A	$14.18		+0.08	-
Class B	$13.79		+0.07	-
Pacific Equity Portfolio				
Class A	$10.72		—	-
Class B	$10.38		—	-
Class A	£6.61		—	-
Class B	£6.52		—	-
Global SmallCap Portfolio				
Class A	$10.47		+0.06	-
Class B	$10.35		+0.06	-
Technology Portfolio				
Class A	$14.25		—	-
Class B	$14.16		—	-
Class A	£8.78		-0.08	-
Class B	£8.67		-0.08	-
Capital Portfolio				
Class A	$11.83		+0.08	-
Class B	$11.74		+0.08	-
Visionary Portfolio				
Class A	$11.30		+0.04	-
Class B	$11.12		+0.04	-

Monterey Trust SICAV

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$10.20		—	-

LUXEMBOURG (REGULATED)(**)

OFFSHORE INSURANCES

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

RETRO

gērald genta

19, rue de Saint-Jean – case postale 120, CH-1211 GENÈVE 18
Tél.(41) 22 344 87 20 – Fax (41) 22 345 14 88

OTHER OFFSHORE FUNDS

● MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses.

Prices of certain older insurance linked plans subject to capital gains tax on sales.

(**) Funds not SIB recognised. The regulatory authorities for these funds are:

Bermuda - Bermuda Monetary Authority
Guernsey - Financial Services Commission
Ireland - Central Bank of Ireland/Irish Department of Enterprise and Employment
Isle of Man - Financial Supervision Commission
Jersey - Financial Services Department
Luxembourg - Institut Monétaire Luxembourgeois.
Initial charge - Charge made on sale of units.
Selling price - Bid or redemption price.
Buying price - Offer or issue price.
OEIC - Open Ended Investment Company.
Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:

(♥) 0001 to 1100 hours
(♦) 1101 to 1400 hours
(♠) 1401 to 1700 hours
(♣) 1701 to midnight
E Exit charge on sale of units.
C Manager's periodic charge deducted from capital.
H Historic pricing F - Forward pricing
h Distribution free of UK taxes.
p Periodic premium insurance plans.
s Single premium insurance.
■ Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).
x Offered price includes all expenses except agent's commission.
z Previous day's price.
⊕ Guernsey gross.
ф Yield before Jersey tax.
† Ex-subdivision. xd - Ex-dividend.
‡ Only available to charitable bodies
♦ Yield column shows annualised rates of NAV increase.

The fund prices published in this edition are also available at the Financial Times' web site, http://www.FT.com

ALCOHOLIC BEVERAGES

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Allied Domecq	♣	436	-½	583	407½	4,530	6.8	13.2
Bulmer (HP)	♣†	566	—	656	477	300.4	3.0	18.9
Burn St Dal		60xd	—	131	57½	35.8	7.1	14.9
Glenmorangie A	†	1000	—	1050	615	138.8	1.5	37.3
B	†	1125	—	1140	868	45.0	0.7	61.3
Grand Met		465	+1½	506	411½	10,424	4.0	16.0
Guinness	♣	508xd	+7½	518½	423	9,534	4.0	14.4
Highland	♣†	342½	-1½	380	320	456.8	3.0	15.9
5½pc Cnv Sub Bds		99½	-½	101½	94½	—	—	—
Kirin Y		475	-1¼	879¼	459½	5,088	1.2	19.3
Matthew Clark	♣	310½	-12½	803	232½	274.8	8.7	14.8
Merrydown	♣†	91½	—	141	80½	9.87	6.3	12.4
Seagram C$		£22⅛	-⅛	£25⅞	£20⅛	6,126	1.8	—

BANKS, RETAIL

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		640¼	+1⅛	647⅛	[illegible]	12,181	2.8	16.7
ANZ A$		374	+5½	409½	285	5,678	5.1	Φ
Abbey National		781xd	+1	811	526	11,129	4.1	14.0
Allied Irish £	♣	438	+9	453½	315	2,933	4.2	Φ
Anglo Irish £		76	—	82½	61	258.1	6.4	Φ
Asahi Y		391½	+15½	666½	335½	8,381	0.9	Φ
Banco Bil Viz Pta	sK	[illegible]	[illegible]	846	[illegible]	8,301	2.8	—
Banco Sant Pta		[illegible]	[illegible]	[illegible]	[illegible]	9,823	3.3	13.7
Bk Ireland £		681½	+20½	695	413	3,097	3.3	14.3
Bank Scotland	♣†	318½	-1	375½	227½	3,812	2.9	11.7
9¼pc Pf		120½	—	129	108½	241.5	9.6	—
8¼pc Pf		127	—	132	110½	127.0	9.6	—
Bank of Tokyo Mitsubishi Y		[illegible]	[illegible]	£15⅛	[illegible]	29,880	0.4	—
Barclays		1015½xd	-10	1228	735	15,399	3.9	10.3
Dai Ichi Kan Y		[illegible]	[illegible]	[illegible]	[illegible]	19,842	0.7	—
Deutsche DM		[illegible]	[illegible]	[illegible]	[illegible]	15,719	2.0	—
Espirito Santo		[illegible]	[illegible]	[illegible]	[illegible]	181.2	3.8	12.6
Fuji Bank Y		[illegible]	+31	1482½	584½	19,203	0.8	—
HSBC HK		[illegible]	[illegible]	1583½	937	28,694	3.4	12.9
HSBC (75p Shs)		[illegible]	+23½	1622	931	13,435	3.3	13.4
Irish Permanent		572xd	—	606	395	487.9	2.8	Φ
Lloyds TSB		514xd	[illegible]	534	300½	27,646	3.2	16.6
Mitsu Tst & Bk Y		895	+31½	1156½	506½	7,105	0.5	Φ
Mitsui Tst & Bk Y		308½	+38½	780½	275½	3,872	0.8	22.7
Natl Aust A$	†	789½	+7½	819½	566	11,305	5.3	10.4
NatWest		678xd	-6½	844½	605½	11,588	5.4	10.1
Royal Bk Scotland	♣	531	-15	632½	454	4,354	4.4	11.8
Sakura Y		315½	+13¾	778½	293½	10,481	1.3	25.3
Sanwa Y		[illegible]	+¾	[illegible]	[illegible]	17,580	0.6	Φ
Standard Chartd		847xd	[illegible]	909½	541	8,351	2.1	15.2
7 3/8pc Pf		91	-¼	99½	86½	91.0	10.1	—
8 7/8pc Pf		101½	—	108½	95½	101.5	10.2	—
Sumitomo Y		[illegible]	+¾	[illegible]	[illegible]	20,476	0.6	—
Sumitomo Tst Y		458½	+22½	975½	412½	5,719	0.9	58.1
Tokai Y		[illegible]	[illegible]	[illegible]	[illegible]	8,774	0.7	Φ
Toyo Tst & Bk Y		341½	+33½	720½	301½	2,886	0.8	—
Westpac A$		319	+2½	374½	264	6,058	4.2	10.4
Yasuda Tst Bk Y	♣	142½	+9¼	439	119½	1,373	2.1	21.1

BREWERIES, PUBS & REST

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

CHEMICALS - Cont.

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Laporte	♣	676xd	-8	782	625	1,311	4.5	14.4
Manders		170xd	—	310	162	57.8	6.5	16.6
Meconic	♣	375½	—	404	198	133.7	1.8	23.4
[illegible]	♣	97	—	180	86	26.9	4.0	Φ
Metroact Inds	♣	28½	—	37	28	6.87	3.1	16.2
Millennium Chem		£11⅞	+⅛	£16⅛	£10⅝	842.6	3.3	—
Perstorp SKr		1007½	+2	1234½	876	655.5	2.0	Φ
Porvair	♣	380	—	432	193	79.5	2.3	29.2
Scapa	♣†	215	-2	274	213	318.0	4.0	11.7
Suttcliffe Speak	♣†	27½	+1½	34	21	41.4	4.3	9.0
Victrex		209	—	326	173½	152.8	2.8	16.8
Wolstenholme	♣	657½xd	+7½	1132	597½	32.8	4.8	Φ
Yorkshire	♣	242½xd	—	286	185	111.1	4.7	—
Yule Catto	♣	367½xd	+5	399	305	369.8	3.1	15.7
Zotefoams		238xd	—	285	185	83.7	3.2	18.7

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ENGINEERING

ENGINEERING - Cont.

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

GAS DISTRIBUTION

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
BG	♣W	187½	+½	190½	134	8,317	10.1	19.0
Centrica		59¾	-½	77½	55	2,584	—	—
International Energy	♣†	86½	—	100	84½	90.5	4.9	10.8

A RARE OPPORTUNITY IN A ROYAL BOROUGH

Style

Double height entrance hall with bronze ballustrading, solid oak timber floor throughout the ground floor, carved limestone fireplaces, 'Bulthaup' kitchen, marble bathrooms - the highest quality materials and craftsmanship.

The Villa - Kensington Green - £3,500,000.

CALL 0171 938 3350

TAYLOR WOODROW

Taylor Woodrow Capital Developments Limited

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INSURANCE - Cont.

INVESTMENT TRUSTS

Approved by the Inland Revenue

INVESTMENT TRUSTS - Cont.

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service

INV TRUSTS SPLIT CAPITAL

Approved by the Inland Revenue

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

OTHER INVESTMENT TRUSTS

The following investment trusts are not eligible for inclusion in the FTSE Actuaries Share Indices.

INVESTMENT COMPANIES

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

MEDIA - Cont.

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PROPERTY

Find out how Templeton's cautious global approach can boost performance. For your free copy of 'Great Global Events: An Investor's Guide to the Past Forty Years' please call Templeton on 0800 27 27 28.

Issued in the UK by Templeton Investment Management Limited. Regulated by IMRO and the Personal Investment Authority and a member of the Templeton Marketing Group. Past performance is not necessarily a guide to future returns. Values may fall as well as rise, and investors may not get back the full amount invested.

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SUPPORT SERVICES

SUPPORT SERVICES - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TEXTILES & APPAREL - Cont.

TOBACCO

TRANSPORT

WATER

AIM

AIM - Cont.

The Alternative Investment Market, designed primarily for small companies, is regulated by the London Stock Exchange but has less demanding rules than the SE Official List.

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind R		£24½	+¼	*£31½	£20¼	1,800	3.0	ϕ
Barlow	♣	[illegible]	+½	[illegible]	[illegible]	1,394	2.1	14.2
Gold Flds Prop R	†	134½	+¼	171½	120	13.8	8.7	10.0
SA Brews		£16½	+¼	£24½	£13¼	5,447	1.9	ϕ
Standard Bank		£25¾	+⅛	£31½	£21	3,878	1.4	22.7
Tiger Oats		1070	+12	1160	770	1,809	1.7	21.0
Tongaat-Hulett		759	+1½	1125	676¼	718.5	2.4	ϕ

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service are delivered by Extel, part of Financial Times Information.

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices over a rolling 52 week period.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings'formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or *premiums (Pm -) to the current closing share price. The NAV basis* assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- * Highs and lows marked thus have been adjusted to allow for capital changes
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ϕ Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- ‖ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
u Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
z Dividend yield includes a special payment

F Yield based on prospectus or other official estimates for 1996-97.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1997.
K Yield based on prospectus or other official estimates for 1996
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1997-98.
N Dividend is paid in whole or part as a

FD (Foreign Income Dividend)
R Forecast annualise yield, p/e based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xl ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1425 a year for each security shown, subject to the Editor's discretion

♣ FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT7944. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability.

✝ FT Company Focus / Focus Plus

Comprehensive 10-18 page report available on this company, containing key news stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements.

Company Focus (FT news) £8.45.

Focus Plus (FT and Investors Chronicle news) £10.95.

To order, call 0121 200 4678.

Reports published by ShareFinder.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

Calls are charged at 50p per minute at all times.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 0171 873 4378 for more information on FT Cityline.

The share prices printed on these pages are also available on the internet at http://www.FT.com.

LONDON STOCK EXCHANGE

Interest rate fears still haunt UK stocks

MARKET REPORT

By Steve Thompson, UK Stock Market Editor

London's equity market displayed a marked reluctance to emulate Wall Street's startling overnight gains and finished only marginally ahead on the day.

The big investing institutions, which have stood away from the stock market for some weeks awaiting a clearer picture from the outcome of the May 1 general election, refused to be drawn into the market yesterday, despite Wall Street's rise.

And there was no real confidence imparted to the stock market by the latest outpouring of economic news, which included the March public sector borrowing requirement, unemployment detail, average earnings and unit wage costs.

On the contrary, news of a 5 per cent increase in average earnings for the year to March, plus the continuing strong decline in unemployment was seen by some as a classic recipe for a build up of inflationary pressures.

It was also pointed out that Tuesday's US inflation figures, while weaker than Wall Street analysts had expected, referred to the state of the US economy six months ago, and the Federal Reserve was more interested in how the US economy will be operating in a year's time. "Alan Greenspan has warned many times that the Fed prefers pre-emptive action," said one marketmaker, who insisted a US interest rate rise remained very much on the agenda after the May 20 FOMC meeting.

Wall Street followed up Tuesday evening's 135-point leap by the Dow Jones Industrial Average – its second biggest numerical gain for 10 years – with a quiet, firm start yesterday. But even that relatively good performance failed to kickstart a London market which remained stubbornly unresponsive all day.

The FTSE 100 index finished the session with a 7.8 gain at 4,294.6, well below the day's best, which had seen the index back above 4,300 and up 20.6. The FTSE 250 also closed well down on the session high, closing a net 2.9 ahead at 4,524.6, after 4,536.5. The SmallCap gave a more impressive showing, moving up 3.6 to 2,296.7.

The head of trading at one of the big London-based securities houses said it was becoming increasingly difficult to call trends in markets, especially London. But he insisted that, notwithstanding a hung Parliament, the UK market would be supported.

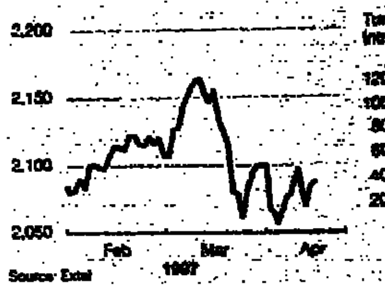
Others remained concerned about trends in US bonds with talk persisting that a move by the yield on the US long bond above the 7.3 per cent level could signal a big shift into bonds.

This morning brings more crucial economic news with inflation details for March.

Turnover fell away after Tuesday's uptick in retail business. At the 6pm count, turnover was 672.4m shares, with non-FTSE 100 shares accounting for 56 per cent of the overall figure.

Dealers are gearing up for a big session on Monday when trading in Alliance & Leicester, the first of the big building society transitions to banking status, commences.

FTSE All-Share Index



Source: Extel

Equity shares traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover

Indices and ratios

FTSE 100	4294.6	+7.8
FTSE 250	4524.6	+2.9
FTSE 350	2116.0	+3.4
FTSE All-Share	2087.46	+3.30
FTSE All-Share yield	3.66	3.67

FT 30	2836.8	+3.7
FTSE Non-Fins p/e	18.20	18.17
FTSE 100 Fut Jun	4311.0	+4.0
10 yr Gilt yield	7.58	7.57
Long gilt/equity yld ratio	2.06	2.08

Best performing sectors

1	Tobacco	+5.0
2	Consumer Goods	+0.9
3	Transport	+0.7
4	Oil Exploration	+0.6
5	Alcoholic Beverages	+0.6

Worst performing sectors

1	Electricity	-0.7
2	Engineering: Vehicles	-0.7
3	Life Assurance	-0.7
4	Electronic & Elec	-0.5
5	Oil: Integrated	-0.5

BAT up on US hints

BAT Industries was top dog in the Footsie, boosted by the latest twist on anti-tobacco litigation in the US.

One US newspaper said Philip Morris and RJR Nabisco were in secret talks with tobacco plaintiffs on a settlement that would "eliminate virtually all the industry's liability for smoking".

The report said the deal would be in return for strict advertising curbs and a fine that could total $300bn over the next 25 years. The two companies are also negotiating on behalf of Brown & Williamson, BAT's US unit.

Surprisingly, BAT shares took some time to respond. They were up in morning trade, but analysts said the substance of the story was not aired in many morning meetings, possibly because it was seen initially as just one more in a seeming endless round of litigation sagas.

Then, the White House legitimised the report by saying it had been "monitoring" the settlement talks between the tobacco industry and the state attorneys general.

And, in the afternoon the story was chewed over more thoroughly and BAT shares jumped 28 to 541p – back towards the 585p closing peak they achieved earlier this year.

Analysts said a financial settlement was still years away but the news provided some clarification about detail and removed some of wilder litigation estimates.

SBC Warburg was said to have recommended a switch out of Allied Domecq and into Grand Metropolitan and Guinness.

Dealers said Allied, which is due to report interim results on May 13, is not expected to meet the growth rates of GrandMet and Guinness. Allied eased to 436p while GrandMet and Guinness were up ½ to 495p and 7½ to 505p, respectively.

Century Inns, the pub company, fell back from its highs after the company's finance director said there had not been a takeover approach from Whitbread.

Speculation that Whitbread might have given Century a "close look" sent the latter's shares up to 193p in early trade. The shares closed 6½ up at 189p and Whitbread were steady at 770p.

Selling early in the session left retailer Thorn trailing 1½ to 164p.

Shares in the group have fallen from a peak of 394p reached in August last year when it was demerged from EMI, but NatWest Securities is a fan of the stock and yesterday urged investors "add" to holdings.

It said: "The refusal of the US supreme Court (on Monday) to hear the usury case on constitutional grounds is a disappointment but hardly a surprise. It is just the latest in a series of trials and tribulations which have weighed on sentiment over the past six months. Despite the prospect of more bad news, we believe there is significant potential for management to enhance shareholder value."

Enterprise Oil, the exploration and production company, improved 3½ to 616p. The company is holding a series of meetings with analysts and institutions.

Shell Transport was up at the expense of BP as one broker argued that it was less exposed to a possible Labour tax on UK assets than BP as it generated a much smaller amount of its earnings from the North Sea. Shell gained 4 to £10.33 and BP eased 9 to 685¼p

Centrica, the natural gas distributor demerged from British Gas, held steady at 58¼p as BZW raised its recommendation to "hold" from "sell". The broker upped its "fair value" estimate for Centrica shares to 60p from 50p, reflecting higher than expected gas prices and a higher valuation of the company's Morecambe gas field.

Reuters Holdings dipped 3 to 589p as the news and financial information group held its annual meeting. While nothing particularly disturbing came out of it, the meeting focused attention on Reuters' exposure to a strong pound as well as to market volatility.

An upgrade helped **Carlton Communications** move forwards 8 to 506½p. Morgan Stanley raised its recommendation to "strong buy" from "outperform" saying the media business remained a growth area, Carlton's management had a good track record and the stock looked cheap.

Aerospace and defence group **Cobham** jumped 35 to 652½p, making it one of the best performers in the FTSE 250, after it reported figures at the top end of market expectations. Profits rose 47 per cent to £43.7m.

Analysts moved to recommend the stock and upgrade current year profit expectations. The list included Mr Clive Forrestier-Walker at Charterhouse Tilney, who said: "The order book announced is one of the strongest in the sector. I also think its Westwind division is likely to be back on track to meet expectations of 20 per cent compound growth." He upgraded current year profit expectations by £3m to £51m.

Cobham shares fell sharply last October after the company said the Westwind subsidiary had been hit by a slowdown in electronics markets.

In the rest of the engineers, there was vague talk in the market suggesting Anglo-US engineering group **LucasVarity** had started buying its own shares as part of its £90m share repurchase programme announced on Tuesday. Turnover at the close of business yesterday was 5.7m but the company could not confirm the rumours.

The shares closed 1¼ lighter at 196½p, with the market continuing to reflect on Tuesday's broker downgrades.

An upbeat trading statement from vehicle distributor **Dixon Motors** saw the shares appreciate 23 to 316½p. ABN Amro Hoare Govett raised its 1997 profit forecast to £7.8m from £7.5m previously.

British Airways continued to benefit from an earlier SBC Warburg recommendation, the shares gaining another 15½ to 680½p.

Airports group **BAA** was also in demand having reported favourable traffic data earlier this week. The shares ended the day 15½ up at 528½p, with some 2.1m dealt by the close.

Bodycote International jumped 32½p after results beat forecasts and the company made bullish comments about this year's performance. Profits came in at £27m for 1996, a rise of 48 per cent, against expectations of £24.5m to £26.7m. The engineering services group said trading for the first quarter of 1997 was strong and that it was looking forward to another successful year.

Legal and General sank 10½ to 382p on news that the insurance group's chief executive had exercised options, effectively selling 137,500 shares.

FT 30 INDEX

	Apr 16	Apr 15	Apr 14	Apr 11	Apr 10	Yr ago	*High	*Low
FT 30	2836.8	2833.1	2813.3	2820.0	2853.4	2824.4	2931.4	2658.6
Ord. div. yield	3.92	3.93	3.96	3.94	3.90	4.00	4.22	3.76
P/E ratio net	16.93	16.90	16.76	16.83	17.03	16.24	18.09	15.80
P/E ratio nil	16.76	16.73	16.59	16.66	16.86	16.01	17.87	15.71

FT 30 since compilation: high 2931.4 10/03/97; low 49.4 26/06/40. Base Date: 1/7/35.

FT 30 hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2839.0	2837.9	2842.7	2835.5	2831.7	2831.6	2832.8	2828.5	2834.0	2843.6	2827.3

	Apr 16	Apr 15	Apr 14	Apr 11	Apr 10	Yr ago
SEAQ bargains	42,118	40,800	41,498	44,222	39,483	42,656
Equity turnover (£m)†	–	NA	1932.3	1847.2	1797.3	2113.3
Equity bargains†	–	NA	37,161	39,623	37,019	48,894
Shares traded (ml)†	–	NA	678.1	644.9	646.5	732.1

†Excluding intra-market and overseas turnover but including Crest turnover.

	Apr 16	Apr 15	Apr 14	Apr 11	Apr 10	Yr ago	*High	*Low
FTSE AIM	1087.1	1089.0	1088.4	1090.5	1089.3	1019.2	1140.4	965.7

© FTSE International Limited 1997. All rights reserved. *For 1997.

■ **London market data**

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	760	Total Highs	45	Total contracts	47,165
Total Falls	442	Total Lows	36	Calls	18,758
Same	1,211			Puts	28,407

Apr 16 *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

■ FTSE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	4318.0	4311.0	-3.0	4330.0	4288.0	8696	60560
Sep	4327.0	4336.0	-4.0	4327.0	4327.0	6	2895

■ FTSE 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	4550.0	4535.0	+5.0	4550.0	4545.0	23	4833

■ FTSE 100 INDEX OPTION (LIFFE) (*4293) £10 per full index point

	4100		4150		4200		4250		4300		4350		4400		4450	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Apr	195	1	145½	1	96½	1½	58	5½	15½	20½	2½	59	1	109	1	159
May	223½	20½	181	27½	143	39	106½	52½	75½	72½	50½	99½	30	129½	18½	168½
Jun	258½	46	219½	57½	186½	70	148½	87	116	107	90	132	67½	160	48	192
Jul	288	58½	251½	72½	215	88½	178	103	146½	124	118½	146	92½	171	73½	203½
Dec†	374½	114			316½	149			247	184½			192	233½		

Calls 3,066 Puts 3,306

■ EURO STYLE FTSE 100 INDEX OPTION (LIFFE) £10 per full index point

	4125		4175		4225		4275		4325		4375		4425		4475	
Apr	170	1	121	1	72½	3	30½	19½	7	37	1	80½	1	130	1	180
May	200½	23½	160	32½	122½	45	90	62	62	84	39½	111	22½	144	12½	183
Jun	236	52	198½	64	163½	78½	131½	95½	103	117	79	142	58½	171½	41½	204
Sep	299	93			231	122½			170½	160			122½	209		
Dec†	361	120½			294	149½			234	186			180	228		

Calls 5,816 Puts 3,501 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1997 High	1997 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
§100	F.P.	25.0	100	99	Aurora Inv Trust	100		-	-	-	-
§100	F.P.	66.0	103½	86½	†Avalon Oil	86½		-	-	-	-
	F.P.	774.5	142½	124	Avis Europe	133	+4	NQ4.1	2.7	3.1	15.1
§	F.P.	6.02	44½	39½	†Bickerton	39½		-	-	-	22.1
§500	F.P.	129.3	620	562½	Cambridge Antibody	593	+8	-	-	-	-
§40	F.P.	12.0	65	54½	†Charlton Athltc	55		-	-	-	-
	F.P.	38.0	95	95	Close Bros Pr VCT	95		-	-	-	-
§	F.P.	59.8	335	290	Diagonal	323		-	-	-	42.0
§	F.P.	10.9	72½	70½	Donatantonio	72		0.5	ϕ	0.9	ϕ
§175	F.P.	56.7	207½	175	Harvey Nash	203½	-1½	F4.0	-	2.5	-
§175	F.P.	25.9	212½	198	Heal's	212½		L3.9	3.1	2.3	15.5
§100	F.P.	18.7	130½	114½	Helphire Group	114½		R0.8	5.1	0.9	14.0
§44	F.P.	4.06	50	46	†Methven's	48		-	-	-	-
100	F.P.	35.8	102½	92½	Murray VCT 2	102½		-	-	-	-
§135	F.P.	179.0	144½	124½	Newcastle Utd	125	-2	u1.8	-	1.6	-
*40	F.P.	1.71	28½	28½	†Northstar Secs	28½		-	-	-	-
	F.P.	4.75	95	95	Oxford Tech Vent	95		-	-	-	-
§17	F.P.	2.41	50½	17½	Pathfinder Props	22½		-	-	-	-
§	F.P.	3.15	3	2½	†Prestbury Leisur	2½		L0.32	5.4	16.0	10.1
§	F.P.	19.3	122½	115½	†Q Group	115½		-	-	-	-
-	F.P.	39.5	16	12½	†Stair Energy	15½		-	-	-	-
-	F.P.	12.4	107½	107½	†Torch Hldgs	107½		-	-	-	-
-	F.P.	73.4	61½	59	Utd Overseas Grp	61½	+1½	-	-	-	13.3
	F.P.	22.6	147½	143½	Whitehead Mann	145½		§4.35	2.2	3.7	14.0
§	F.P.	-	177	177	Worldsec	177		-	-	-	-

† Alternative Investment Market. § Placing price * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

FT GOLD MINES INDEX

	Apr 15	% chg on day	Apr 14	Year ago	Gross div yield %	P/E ratio	52 week High	52 week Low
Gold Mines Index (32)	1538.16	-1.8	1565.56	2319.45	2.17	-	2382.86	1538.16
■ Regional Indices								
Africa (14)	1860.44	-1.3	1884.14	3004.27	4.79	28.52	3187.52	1860.44
Australasia (6)	1819.26	+0.4	1811.17	2687.62	2.53	19.92	2844.14	1811.17
North America (12)	1413.59	-2.3	1447.37	2072.64	0.95	55.18	2126.45	1413.59

Copyright, FTSE International Limited 1997. All rights reserved. Figures in brackets show number of companies. Basis US Dollars. Base Value, 1000.00 31/12/92. † Partial. Latest prices were unavailable for this edition.

FTSE Actuaries Share Indices — The UK Series

Produced in conjunction with the Faculty and Institute of Actuaries

	Apr 16	Day's chge%	Apr 15	Apr 14	Apr 11	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
FTSE 100	4294.6	+0.2	4286.8	4251.7	4270.7	3805.6	3.76	2.06	16.12	60.66	1821.99
FTSE 250	4524.6	+0.1	4522.3	4506.4	4534.3	4464.1	3.55	1.54	22.86	49.49	1874.74
FTSE 250 ex IT	4567.9	+0.1	4565.5	4550.0	4577.1	4498.3	3.62	1.57	21.97	50.81	1897.63
FTSE 350	2116.0	+0.2	2112.7	2097.4	2107.6	1918.5	3.72	1.96	17.17	28.48	1832.85
FTSE 350 Higher Yield	2060.0	+0.1	2047.5	2032.2	2040.9	1854.5	4.82	1.83	14.17	33.73	1502.67
FTSE 350 Lower Yield	2183.1	.....	2183.7	2168.6	2180.3	1990.0	2.60	2.20	21.84	22.81	1549.44
FTSE SmallCap	2296.71	+0.2	2293.12	2289.23	2297.47	2155.13	3.04	1.69	24.40	21.86	1937.10
FTSE SmallCap ex IT	2310.68	+0.1	2307.90	2305.21	2310.47	2143.12	3.22	1.76	22.01	23.02	1964.07
FTSE All-Share	2087.46	+0.2	2084.21	2070.05	2079.87	1897.37	3.66	1.94	17.58	27.45	1834.99

■ **FTSE Actuaries Industry Sectors**

	Apr 16	Day's chge%	Apr 15	Apr 14	Apr 11	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(20)	3984.55	-0.3	3997.95	3969.77	4016.63	3485.30	3.75	2.15	15.54	69.22	1776.90
12 Extractive Industries(5)	4062.55	-0.1	4064.69	4037.04	4003.46	4554.40	3.88	2.39	13.51	96.06	1239.12
15 Oil, Integrated(3)	4078.33	-0.5	4098.57	4068.13	4131.70	3493.38	3.98	2.11	14.88	70.72	1868.62
16 Oil Exploration & Prod(12)	3491.34	+0.6	3470.06	3455.28	3477.20	2505.71	1.66	2.19	34.47	34.64	2137.00
20 GEN INDUSTRIALS(270)	1973.30	+0.1	1971.71	1963.22	1970.95	2139.34	4.04	1.88	16.45	24.10	1117.35
21 Building & Construction(35)	1344.87	+0.6	1336.90	1323.00	1327.09	1221.89	3.19	1.90	20.63	17.58	1163.47
22 Building Matls & Merchs(31)	1863.82	+0.4	1855.97	1842.87	1848.11	1865.75	4.31	2.77	10.47	24.04	975.81
23 Chemicals(26)	2245.90	-0.1	2248.14	2241.07	2262.91	2570.11	4.67	1.58	16.87	38.84	1108.68
24 Diversified Industrials(16)	1467.03	+0.3	1462.64	1448.96	1455.20	1794.40	4.92	1.82	13.97	27.90	863.97
25 Electronic & Elect Equip(38)	2163.96	-0.5	2175.06	2172.54	2176.23	2417.38	3.64	1.55	22.14	7.88	1153.34
26 Engineering(70)	2558.56	+0.3	2550.83	2542.16	2553.15	2467.31	3.31	2.44	15.47	24.05	1597.82
27 Engineering, Vehicles(13)	2813.49	-0.7	2832.81	2844.17	2841.19	2962.87	3.96	‡	‡	27.36	1499.92
28 Paper, Pckg & Printing(27)	2470.00	-0.4	2479.52	2481.13	2483.12	2758.23	4.23	1.90	15.59	38.68	1069.79
29 Textiles & Apparel(14)	1096.35	+0.2	1094.54	1095.32	1098.13	1492.73	6.43	0.94	20.77	10.66	700.52
30 CONSUMER GOODS(84)	4201.04	+0.9	4161.69	4135.03	4150.75	3469.89	3.60	1.83	19.01	73.08	1616.94
32 Alcoholic Beverages(7)	2913.94	+0.6	2896.35	2884.89	2913.59	2826.58	4.51	1.89	14.69	62.25	1103.06
33 Food Producers(25)	2870.02	+0.4	2857.39	2840.59	2856.68	2502.66	3.85	1.87	17.38	44.90	1349.27
34 Household Goods(17)	2840.56	-0.5	2854.22	2840.64	2832.30	2621.26	3.63	2.31	14.88	50.52	1168.49
36 Health Care(15)	2249.80	-0.4	2257.92	2239.06	2246.06	1925.84	2.64	1.63	28.97	13.35	1398.49
37 Pharmaceuticals(16)	6587.82	+0.6	6549.64	6500.45	6512.84	4832.87	2.79	1.72	26.05	94.65	2308.15
38 Tobacco(2)	4506.11	+5.0	4292.68	4269.92	4282.26	4320.15	6.01	1.89	11.01	147.58	1199.47
40 SERVICES(273)	2605.10	+0.1	2602.67	2585.27	2601.59	2505.48	2.97	1.97	21.35	24.49	1394.38
41 Distributors(30)	2700.25	+0.6	2684.73	2660.32	2670.13	2883.69	3.37	1.92	19.33	29.19	1026.27
42 Leisure & Hotels(31)	3410.02	+0.5	3391.93	3373.96	3396.79	3192.61	2.67	1.74	26.95	56.40	1885.75
43 Media(44)	4168.94	.....	4169.49	4133.10	4154.07	4208.96	2.36	1.98	26.74	44.35	1642.85
44 Retailers, Food(15)	1985.60	-0.4	1993.02	1985.83	2003.90	1948.41	4.06	2.30	13.42	22.51	1307.52
45 Retailers, General(53)	2055.93	-0.1	2058.93	2044.01	2054.74	2092.21	3.24	2.05	18.80	13.48	1208.83
47 Breweries, Pubs & Rest.(22)	3241.00	+0.2	3235.98	3242.34	3272.89	3122.90	3.35	2.10	17.77	17.33	1598.87
48 Support Services(56)	2842.72	-0.1	2844.61	2842.02	2865.30	2223.94	1.86	2.80	25.93	16.91	1845.91
49 Transport(22)	2800.17	+0.7	2779.49	2734.45	2746.00	2446.11	3.47	1.27	28.42	29.34	1209.63
60 UTILITIES(32)	2746.75	-0.2	2753.46	2739.13	2733.06	2610.03	4.86	1.54	16.68	5.34	1248.31
62 Electricity(6)	3015.53	-0.7	3038.24	3017.97	2973.40	2966.91	5.74	2.18	10.00	22.08	1665.60
64 Gas Distribution(2)	1653.64	.....	1653.64	1636.82	1623.36	1598.46	7.38	‡	‡	0.00	904.83
66 Telecommunications(9)	2259.59	-0.1	2260.93	2251.12	2262.58	2170.32	3.68	1.70	19.96	0.38	1066.89
68 Water(12)	2554.27	-0.2	2558.79	2553.31	2549.50	2189.82	5.83	2.33	9.19	0.00	1477.31
69 NON-FINANCIALS(679)	2148.50	+0.2	2144.54	2131.71	2141.85	2026.03	3.89	1.86	18.20	25.23	1694.39
70 FINANCIALS(106)	3787.61	+0.1	3785.45	3746.69	3761.54	2882.33	3.76	2.32	14.22	74.20	1703.91
71 Banks, Retail(8)	5553.81	+0.3	5536.99	5458.65	5482.09	3987.27	3.80	2.65	13.11	122.52	1899.02
73 Insurance(18)	1625.86	-0.1	1626.83	1623.06	1624.55	1388.85	5.31	2.30	10.23	37.26	1286.82
74 Life Assurance(7)	4467.60	-0.7	4498.12	4465.44	4484.86	3646.09	3.94	1.76	17.97	95.37	1940.50
77 Other Financial(29)	3067.01	+0.1	3062.73	3051.63	3071.24	2583.21	3.40	1.91	19.21	33.75	1811.96
79 Property(44)	1855.35	-0.4	1862.41	1860.21	1885.21	1623.42	3.44	1.30	27.95	10.29	1179.19
80 INVESTMENT TRUSTS(127)	3222.95	+0.1	3220.45	3205.32	3233.86	3212.63	2.27	1.13	48.79	22.75	1149.55
89 FTSE All-Share(912)	2087.46	+0.2	2084.21	2070.05	2079.87	1897.37	3.66	1.94	17.58	27.45	1834.99
FTSE Fledgling	1303.87	+0.2	1300.63	1298.21	1302.64	1202.97	3.02	0.78	52.87	10.37	1398.08
FTSE Fledgling ex IT	1328.66	+0.2	1325.71	1323.53	1326.81	1207.34	3.30	0.75	50.36	11.18	1427.82

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FTSE 100	4301.8	4300.0	4306.9	4294.2	4291.4	4290.7	4291.9	4280.7	4293.3	4307.4	4280.2
FTSE 250	4532.0	4534.6	4535.9	4535.4	4532.4	4531.9	4531.1	4522.9	4523.2	4536.5	4522.1
FTSE 350	2119.5	2119.0	2121.9	2118.9	2115.5	2115.2	2115.5	2110.4	2115.3	2122.1	2110.3

Time of FTSE 100 Day's high: 9:55 AM Day's low: 2:43 PM. FTSE 100 1996/97 High: 4444.3 (11/03/97) Low: 4056.6 (10/01/97).

■ ***FTSE 350* Industry baskets**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1248.1	1248.6	1252.7	1252.0	1250.2	1249.8	1249.6	1249.1	1249.4	1249.5	1242.3	+7.2
Pharmaceutcls	6465.4	6452.2	6464.6	6456.2	6462.2	6462.0	6468.0	6477.2	6499.9	6502.7	6465.0	+37.7
Water	2563.5	2565.1	2562.9	2560.1	2555.1	2555.1	2554.8	2548.8	2548.8	2550.1	2554.8	-4.7
Banks, Retail	5636.8	5632.3	5653.7	5636.7	5633.2	5631.3	5631.0	5615.9	5621.6	5624.7	5609.7	+15.0

For further information on the FTSE Actuaries Share Indices please contact FTSE International on 0171 448 1810. The FTSE Actuaries Share Indices are calculated in accordance with a standard set of ground rules established by FTSE International in conjunction with the Faculty of Actuaries and the Institute of Actuaries. © FTSE International Limited 1997. All Rights reserved. "FT-SE" and "Footsie" are trade marks of the London Stock Exchange and The Financial Times and are used by FTSE International under licence. † Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. ‡ Values are negative. Capital & Total Return Indices adjusted from 4 April for Caledonia Investments supplementary dividend. For further information on the recalculated figures please contact FTSE Helpdesk on 0171-448-1810. Deletion: Undervid Assets R'd (FTSE SmallCap) & (80).

FTSE INTERNATIONAL

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol 000s	Closing price	Day's change
3i†	182	501	-3
ASDA Group†	8,300	111½	-¼
Abbey National†	2,200	791	+1
Airtours	412	932½	-6
Albert Fisher	793	42¾	
Allied Domecq†	3,700	436	-½
Anglian Water	745	657½	-3
Argos	3,100	643	+1½
Arjo Wiggins	1,400	191	
Assoc. Brit. Foods†	924	511½	-½
Assoc. Brit. Ports	387	277	+3
BAA†	2,900	528½	+12
BAT Inds.†	13,500	541	+28
BBA	495	339½	-6½
BICC	867	281½	+1½
BOC†	3,200	911	+9½
BG†	20,000	187½	+½
BP†	5,700	685¼	-9
BPB	1,700	316	-½
BSkyB†	2,700	584½	-2
BT†	12,800	442½	+2
BTR†	9,600	255	+1½
Bank of Scotland†	833	318½	-1
Barclays†	2,900	1015½	-10
Bass†	1,300	792½	+3½
Blue Circle†	2,500	402	+6
Booker	851	335	+4½
Boots†	659	669	+½
Britannic	195	816	-3½
Brit. Aerospace†	863	1342½	+12
British Airways†	2,100	680½	+15½
British Biotech	1,600	243½	+1
British Energy	1,800	134	-2
British Land†	692	540½	-6
British Steel†	9,700	146¼	-¼
Burmah Castrol†	339	1001	+2
Burton†	4,400	147	-1¼
Cable & Wire†	2,200	482	-3
Cadbury Schweppes†	4,900	526½	-½
Caradon	7,000	255½	+6½
Carlton Comms.†	1,500	506½	+8
Centrica†	10,650	58¼	-½
Chubb	71	424½	+1½
Coats Viyella	1,000	135½	
Comm. Union†	1,800	643½	-4½
Compass	254	672½	-6
Cookson	2,800	214½	+1½
Courtaulds	1,200	337½	
Dalgety	118	334½	-3½
De La Rue	469	552½	-6½
Dixons†	240	513½	-2½
EMAP	983	757½	-8
EMI†	1,300	1190	+4½
Electrocomps	411	402	+5½
Energy Group†	496	500	-4½
Enterprise Oil†	2,800	616	+3½
FKI	499	186	+1
Foreign & Col. I.T.	461	150½	-¼
Gen. Accident†	1,800	800½	-4
General Elect.†	2,400	368	-2
Glaxo Wellcome†	5,900	1121½	+5
Glynwed	218	280½	-2
Granada†	3,200	888	+11
Grand Met.†	3,200	495	+1½
GUS†	2,300	649½	-4
Greenalls	810	517½	-1
GRE†	1,900	275½	+2½
GKN†	461	965	-8½
Guinness†	3,400	505	+7½
HSBC (75p shs)†	2,980	1542½	+23½
Hammerson	74	430	+½
Hanson†	1,700	282	-2
Harrisons Crosfield	1,400	127½	
Hays†	2,100	521½	-2
Hillsdown	2,000	194½	-3
Hyder	548	832½	+4
IMI	1,400	384½	-1
ICI†	2,100	703½	-4½
Imperial Tobacco†	1,800	416	+5½
Inchcape	483	265½	-4
Johnson Matthey	715	525	-1½
Kingfisher†	964	658½	-8
Kwik Save	311	302½	-1½
Ladbroke†	5,100	234½	+½
Land Securities†	752	779½	-2½
Laporte	184	676	-8
Legal & General†	4,700	382	-10½
Lloyds TSB†	4,800	514	+½
LASMO†	6,400	230	+4
Lonrho	2,000	135½	+2½
LucasVarity†	5,700	196½	-1½
MEPC	284	458½	-6½
MFI	2,800	148	-2
Marks & Spencer†	1,900	494	-½
Mercury Asset Man†	120	1268	+3
Morrison (Wm.)	568	159½	-1½
NFC	989	145	-1½
NatWest Bank†	2,800	676	-6½
National Grid†	1,800	218	-3½
National Power†	2,600	530	-10½
Next†	2,100	627½	+8½
Northern Foods	734	209	+2½
Orange†	3,700	214	-½
Pearson†	1,100	726	-2½
P & O†	2,200	612½	-8½
Pilkington	703	120½	
PowerGen†	1,800	642	+1½
Premier Farnell	1,200	496	+6½
Provident Financial	57	563½	
Prudential†	3,200	567½	-3½
REXAM	1,300	322½	-1
RMC†	258	961	-9
RTZ†	2,900	953½	-1
Racal	1,100	279½	-2½
Railtrack†	2,300	452	-8
Rank Group†	2,900	432½	+6
Reckitt & Colman†	892	795	-8
Redland	1,700	342½	-3
Reed Intl.†	902	1101½	+8
Rentokil Initl†	729	402	+½
Reuters†	7,660	589	-3
Rolls Royce†	2,000	247	+1
Royal & Sun Allnc†	3,000	438½	
Royal Bk Scotland†	6,000	531	-2½
Safeway†	814	348	-½
Sainsbury†	2,300	325½	-1½
Schroders†	97	1525	+2½
Scottish & New.†	2,600	654½	+5
Scot. Hydro-Elect.	1,600	392	-½
Scottish Power†	2,100	379	-2½
Sears	4,000	79½	+½
Securicor	8,300	265	
Sedgwick	545	125	+1½
Severn Trent†	1,100	743½	+3½
Shell Transport†	3,700	1033	+4
Siebe†	1,700	946	+4½
Slough Ests	495	288	-½
Smith (W.H.)	733	446	-1
Smith & Nephew†	2,800	180	-1½
SmKl Beecham†	2,200	921	+12½
Smiths Inds.†	810	773	-10½
Southern Elect	1,900	443½	+8
South West Water	98	689½	-½
Stagecoach	84	816	-5
Standard Chartd.†	430	947	
Storehouse	781	237	-1
T&N	1,600	146½	-1½
TI Group†	881	547½	+5
Tarmac	1,400	113½	+½
Tate & Lyle†	933	446½	+6½
Taylor Woodrow	313	187½	+2
TeleWest Comms	388	98	+2
Tesco†	2,400	382½	[illegible]
Thames Water†	1,300	674½	-5½
Thorn	1,400	164	-1½
Tomkins†	1,900	287	-1½
Unigate	194	460½	-2½
Unilever†	1,700	1692½	+18
United Biscuits	2,900	229½	-1½
Utd. News & Media†	342	719½	-7
United Utilities†	1,400	676½	
Vodafone†	4,400	287	-4
WPP	634	250	+½
Wessex Water	252	381	-6½
Whitbread†	938	770	-½
Williams Hldgs.	2,300	314	-½
Wills Corroon	270	149½	+1
Wimpey	2,600	140	+1
Wolseley†	1,100	466	+4
Yorkshire Elect	24	926½	
Yorkshire Water	762	564½	+1
Zeneca†	1,800	1790	-7½

Based on trading volumes for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. † Indicates an FTSE 100 index constituent. All trades are rounded. Source: Extel, part of FT Information.

CONTRACTS & TENDERS

MINISTRY OF DEVELOPMENT
GREEK NATIONAL TOURISM ORGANISATION

Announcement
for an invitation to tender

The Greek National Tourism Organisation (GNTO) hereby invites for an international public bidding competition (auction) with sealed bids (without counter-bids) for the tourist development and long-term use and exploitation of an area of 1.630 «stremmata» (1 stremma = 1.000 m²) in the district of Anavyssos of Attiki.

The bidding will be carried out at the offices of the Directorate of Exploitation of the GNTO, at 7 Voulis street, 6th Floor, Room No 616, on Monday, 01.09.1997, from 10.00 to 12.00 hours, before a Bidding Committee, set up for this purpose.

Interested parties can avail themselves of the text of the invitation to tender from 18.04.97 onwards from the GNTO offices at 7 Voulis street, 6th Floor, Room No 611, Athens, every day from 11.00 to 14.00 hours.

The General Secretary
N. Skoulas

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Prices for Trading on 17.04.97: Pool purchase price £/MWh	Final Prices for Trading on 20.03.97: Pool purchase price £/MWh	Final Prices for Trading on 20.03.97: Pool selling price £/MWh
0030	13.90	13.44	14.25
0100	11.68	13.44	14.25
0130	13.90	13.44	14.25
0200	13.90	13.44	14.25
0230	13.90	13.44	14.25
0300	13.90	13.44	14.25
0330	13.90	13.44	14.25
0400	13.90	13.44	14.25
0430	13.90	13.44	14.25
0500	13.90	13.44	14.25
0530	13.94	13.71	14.53
0600	19.33	13.71	14.53
0630	19.33	13.71	14.53
0700	22.37	20.04	20.85
0730	23.68	20.04	20.85
0800	27.12	20.51	21.32
0830	42.86	26.31	27.13
0900	42.93	26.32	27.15
0930	25.08	31.97	32.79
1000	38.88	45.68	46.46
1030	38.64	26.33	27.16
1100	25.00	24.29	25.11
1130	27.19	50.88	51.71
1200	33.17	50.89	51.72
1230	33.13	50.88	51.71
1300	27.25	50.86	51.68
1330	27.20	24.02	24.84
1400	27.18	24.02	24.83
1430	32.98	24.02	24.83
1500	32.99	24.02	24.83
1530	23.62	24.02	24.83
1600	23.63	23.39	24.21
1630	23.63	24.02	24.83
1700	35.15	24.02	24.84
1730	41.82	28.16	28.97
1800	35.14	26.30	27.12
1830	35.13	26.47	27.35
1900	26.07	58.13	59.02
1930	26.07	58.17	59.07
2000	11.70	58.01	58.86
2030	32.62	45.93	46.75
2100	32.98	28.16	28.96
2130	42.68	28.15	28.96
2200	42.68	24.01	24.83
2230	32.76	20.04	20.85
2300	30.09	19.79	20.60
2330	23.40	15.03	15.85
2400	13.84	15.03	15.85

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8:30am and 5:15pm Monday to Friday.
©Energy Settlements and Information Services Limited

To advertise your
Commercial Property
And reach 52,000 property decision makers.
Contact
Tina McGorman
+44 0171 873 3252 Fax +44 0171 873 3098

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

PACIFIC

AFRICA

NORTH AMERICA

In the world's crowded skies, Rockwell Collins Avionics plays a key role in promoting safety and efficiency.

Rockwell

http://www.rockwell.com

INDICES

	Apr 16	Apr 15	Apr 14	1997 High	1997 Low
Argentina					
General(29/12/77)	(u)	19910.34	19659.2	21881.32 24/2	18237.37 2/1
Australia					
All Ordinaries(1/1/80)	2406.4	2381.7	2366.1	2501.70 18/2	2352.20 1/4
All Mining(1/1/80)	878.4	880.6	879.7	987.18 24/2	878.40 15/4
Austria					
Credit Aktien(30/12/84)	393.80	392.81	385.72	416.23 11/3	374.40 9/1
Traded Index(2/1/91)	1170.95	1166.77	1164.40	1266.43 11/3	1130.22 9/1
Belgium					
BEL20(1/1/91)	2133.60	2129.51	2096.34	2228.77 11/3	1871.05 2/1
Brazil					
Bovespa(29/12/83)	(u)	9480.0	9456.0	9837.00 7/4	6655.50 2/1
Canada					
Metals & Minls♦(1975)	(u)	5048.40	4969.58	5881.76 10/3	4946.96 11/4
Composite♦(1975)	(u)	5743.60	5679.30	6332.98 10/3	5679.30 14/4
Portfolio§§(4/1/83)	(u)	2915.37	2860.70	3214.10 10/3	2846.92 11/4
Chile					
IGPA Gen▼(31/12/80)	(u)	5321.22	5340.62	5443.82 25/2	4912.42 3/1
Denmark					
CopenhagenSE(3/1/83)	529.38	529.40	528.86	555.49 11/3	470.14 2/1
Finland					
HEX General(28/12/90)	2787.16	2794.80	2766.42	3009.36 11/3	2493.28 2/1
France					
SBF 250(31/12/90)	1765.62	1763.84	1734.31	1815.36 10/3	1533.19 2/1
CAC 40(31/12/87)	2620.97	2620.63	2568.13	2709.21 10/3	2258.97 2/1
Germany					
FAZ Aktien(31/12/58)	1160.85	1153.43	1138.40	1192.09 11/3	989.21 2/1
Commerzbank(1/12/53)	3365.90	3347.80	3317.7	3472.20 27/3	2875.90 2/1
DAX†(30/12/87)	3353.45	3327.66	3279.90	3488.59 11/3	2848.77 2/1
Greece					
Athens SE(31/12/80)	1413.42	1394.89	1394.98	1493.66 26/2	954.54 2/1
Hong Kong					
Hang Seng(31/7/64)	12581.31	12342.02	12295.97	13868.24 28/1	12056.17 3/4
India					
BSE Sens.(1979)	(c)	3647.44	(c)	3944.61 4/3	3225.24 2/1
Indonesia					
Jakarta Comp.(10/8/82)	632.81	631.27	635.16	712.50 26/2	631.27 15/4
Ireland					
ISEQ Overall(4/1/88)	3017.07	2986.98	2989.53	3059.63 11/3	2725.07 2/1
Italy					
Banca Comm Ital(1972)	773.85	769.02	758.15	797.71 10/2	642.55 2/1
MIB General(2/1/97)	1164.0	1158.0	1137.0	1197.00 10/2	991.00 2/1
Japan					
Nikkei 225(16/5/49)	18031.20	17933.59	17692.47	19446.00 6/1	17303.65 10/1
Nikkei 300(1/10/82)	263.45	260.84	257.69	282.45 6/1	251.04 27/1
Japan					
Topix(4/1/68)	1366.50	1342.40	1327.51	1480.86 6/1	1320.82 10/4
2nd Section(4/1/68)	1522.49	1516.50	1521.35	1828.21 6/1	1516.50 15/4
Malaysia					
KLSE Comp.(4/4/86)	1087.78	1086.67	1101.09	1271.57 25/2	1086.67 15/4
Mexico					
IPC(Nov 1978)	(u)	3805.10	3798.65	3936.69 25/2	3359.46 2/1
Netherland					
CBS TtlRtnGen(End 83)	844.5	850.5	831.1	885.70 11/3	730.80 2/1
CBS All Shr(End 83)	494.7	498.3	485.9	519.80 11/3	429.00 2/1
New Zealand					
Cap. 40(1/7/86)	2253.55	2243.21	2227.10	2440.21 20/1	2207.46 1/4
Norway					
Oslo SE(Ind)(2/1/83)	1812.33	1816.77	1792.47	1941.49 20/2	1639.03 2/1
Philippines					
Manila Comp(2/1/85)	2960.97	2949.46	2932.84	3447.60 3/2	2909.39 8/4
Portugal					
BVL 30(4/1/93)	2612.02	2601.45	2571.24	2643.19 11/3	2165.57 2/1
Singapore					
SES All-S'pore(2/4/75)	504.60	501.07	501.91	573.03 17/2	501.07 15/4
South Africa					
JSE Gold(28/9/78)	1252.6▼	1270.4	1263.5	1698.16 27/2	1252.80 16/4
JSE Indl.(28/9/78)	8228.3▼	8237.5	8166.8	8425.52 25/2	7858.50 2/1
South Korea					
KoreaCmpEx**(4/1/80)	702.42	701.39	704.20	721.00 14/2	611.05 7/1
Spain					
Madrid SE(30/12/85)	487.29	487.07	476.44	489.60 10/3	434.54 3/1
Sweden					
AffarsvarldenGen(1/2/37)	2704.2	2704.4	2682.5	2832.40 10/3	2378.50 2/1
Switzerland					
Swiss Bk Ind(31/12/58)	2199.72	2204.93	2181.28	2224.80 10/3	1817.96 13/1
SBC General(1/4/87)	1539.73	1544.23	1529.04	1557.81 11/3	1318.14 6/1
Taiwan					
Weighted Pr.**(30/6/66)	8614.76	8616.11	8638.37	8855.82 9/4	6844.75 6/1
Thailand					
Bangkok SET(30/4/75)	718.89	(c)	(c)	858.97 22/1	676.65 8/3
Turkey					
IMKB Nat 100(1986)	1523.00	1535.00	1502.00	1654.00 21/3	985.00 2/1
WORLD					
MS Capital Intl(1/1/70)	806.6*	804.3	794.5	854.48 25/2	794.59 14/4
CROSS-BORDER					
Eurotrack 100(26/10/90)	2179.74	2172.09	2145.23	2231.93 11/3	1869.80 2/1
Euro Top-100(26/6/90)	1861.54	1880.35	1825.82	1894.47 11/3	1582.99 2/1
HSBC JC Drgn(31/12/88)	(u)	383.78	385.06	429.48 20/1	383.78 15/4
ING Bmgs. Emrg(7/1/92)	172.87	172.43	172.83	181.33 26/2	159.74 3/1

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
■ CAC-40 (200 x Index)							
Apr	2627.0	2618.0	-8.0	2642.0	2603.0	11,806	23,532
May	2614.0	2604.0	-8.0	2625.5	2595.5	518	4,684
■ DAX							
Jun	3377.0	3357.0	-16.0	3388.0	3330.0	21,097	-
Sep	3409.0	3382.0	-17.0	3409.0	3373.5	51	-
■ OMX							
Apr	2100.00	2101.00	-	2112.00	2085.00	8,554	21,005
May	2093.00	2088.25	-5.25	2104.00	2047.00	3,682	1,454
■ SOFFEX							
Apr	4651.8	4626.0	-28.0	4665.0	4612.0	8,833	20,732
May	4629.0	4603.5	-48.0	4636.0	4591.0	4,636	9,066

** Sat Apr 12: Taiwan Weighted Price 8487.88; Korea Comp Ex 8d. Base values of all indices are 100 except: Australia All Ord and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., BVL30, SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 25 Industrials – 264.3; IMKB Nat 100 - 1; NYSE All Common – 50; Standard & Poor's – 10 and Amex Comp - 550. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. † IBIS/DAX after-hours index: Apr 16 - 3347.54 -21.72. † Correction. * Calculated at 15.00 GMT. ⊕ Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ▼ Subject to official recalculation.

US INDICES

Dow Jones	Apr 15	Apr 14	Apr 11	1997 High	1997 Low	Since compilation High	Since compilation Low
Industrials	6587.16	6451.90	6391.69	7085.16 (11/3)	6391.69 (11/4)	7085.16 (11/3/97)	41.22 (8/7/32)
Home Bonds	101.70	101.09	101.33	103.63 (19/2)	101.09 (14/4)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	2440.92	2405.01	2385.13	2469.59 (18/3)	2222.07 (2/1)	2469.59 (18/3/97)	13.23 (8/7/32)
Utilities	211.85	210.87	211.99	240.85 (22/1)	210.87 (14/4)	258.46 (31/8/93)	16.53 (8/7/32)

DJ Ind. Day's high 6626.09 (6487.22) Low 6457.92 (6315.84) (Theoretical♦)
Day's high 6587.16 (6456.11) Low 6452.70 (6356.78) (Actual♦)

Standard and Poors	Apr 15	Apr 14	Apr 11	1997 High	1997 Low	Since compilation High	Since compilation Low
Composite‡	754.72	743.73	737.65	816.29 (18/2)	737.01 (2/1)	816.29 (18/2/97)	4.40 (1/6/32)
Industrials▼	886.39	873.10	865.42	950.96 (18/2)	865.42 (11/4)	950.96 (18/2/97)	3.52 (30/6/32)
Financial	85.20	83.90	83.20	97.25 (10/3)	80.75 (2/1)	97.25 (10/3/97)	7.13 (4/9/74)
NYSE Comp.	397.62	391.49	389.47	427.70 (10/3)	389.47 (11/4)	427.70 (10/3/97)	4.64 (25/4/42)
Amex Comp.	555.06	552.97	556.13	603.83 (10/3)	552.97 (14/4)	617.61 (22/5/96)	524.20 (16/7/96)
NASDAQ Cmp	1212.86	1216.41	1206.90	1388.06 (22/1)	1201.00 (2/4)	1388.06 (22/1/97)	54.87 (3/10/74)

■ RATIOS

	Apr 11	Apr 4	Mar 21	Year ago
Dow Jones Ind. Div. Yield	1.94	1.97	1.89	2.17
	Apr 9	Apr 2	Mar 26	Year ago
S & P Ind. Div. yield	1.83	1.86	1.77	1.92
S & P Ind. P/E ratio	21.72	21.45	22.54	20.83

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
Columbia/HC	8,059,000	34⅞	+2⅛
Chrysler	7,645,300	28⅝	+⅛
Micron Tech	5,464,300	39¼	-
Bay Network	4,989,500	18⅝	+1¼
Seagate	4,730,600	44⅞	-1⅛
Coca Cola	4,532,000	58¼	+2⅞
Ph Morris	4,415,000	38¾	+⅜
Texas Inst	3,984,400	84½	+1½
IBM	3,930,200	137⅞	+1⅛
Npn Office	3,781,200	25⅝	-3¼

■ TRADING ACTIVITY

● Volume (million)	Apr 15	Apr 14	Apr 11
New York SE	508.695	397.819	443.473
Amex	17.583	16.496	18.025
NASDAQ	584.877	483.588	545.685
NYSE			
Issues Traded	3,317	3,327	3,303
Rises	1,854	1,047	382
Falls	767	1,433	2,342
Unchanged	696	847	579
New Highs	47	20	12
New Lows	63	129	107

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
■ S&P 500							
Jun	758.90	757.25	-2.45	760.45	756.00	88,475	181,465
Sep	764.50	764.60	-2.75	765.00	763.90	459	5,420

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
■ Nikkei 225							
Jun	18060.0	18040.0	+80.0	18110.0	17980.0	15,687	227,077
Sep	-	17900.0	-	-	-	-	2,752

Open interest figures for previous day.

■ TOKYO - MOST ACTIVE STOCKS: Wednesday, April 16, 1997.

	Stocks Traded	Closing Prices	Change on day
Nippon Steel	15.9m	365	+6
Nippon Credit Bk	9.7m	252	+1
Sakura Bank	8.4m	644	+24
Mitsubishi Hvy	7.8m	804	+5
Nomura Sec	6.4m	1,190	+70
Sumitomo Bank	5.9m	1,320	+50
Bk Tk-Mitsubishi	5.4m	1,900	+60
NKK	5.4m	255	-2
Ind Bk of Japan	5.1m	1,160	+50
Toray Inds	4.3m	748	+4

Prices supplied by Extel, part of FT Information.

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. * Calendar year high and low. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

♣ FT Free Annual Reports Service

You can obtain the current annual reports of any companies on this page with a ♣ symbol. For North American companies you can either ring +1 804 320 8087, or fax your request to +1 804 320 8135 or order online at http://www.icbinc.com/cgi-am/ft. For companies from ALL other countries ring 0181 770 0770 or fax your request to 0181 770 3822 (outside UK ring +44 181 770 0770 or fax your request to +44 181 770 3822).

4 pm close April 16

NEW YORK STOCK EXCHANGE PRICES

1997 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		- A -								
30½	24¼	AAR	0.48	1.6	23	644	u30¾	30⅜	30¾	+¼
43	33⅛	AMP	1.04	2.9	27	2821	35⅝	34¾	35½	+⅝
90⅛	78¼	AMR			6	9701	85⅜	81⅞	85	+2⅜
37⅝	33⅛	ASA	1.20	3.6	22	815	33½	d33⅛	33⅜	
60½	49¾	AbbtL x	1.08	1.9	23	13022	58¼	56	58¼	+1¾
17½	14⅛	Abitibi Pr	0.40	2.7	7	547	15	14⅜	15	+⅝
19¾	17⅜	ABM Ind x	0.40	2.2	17	59	18⅝	18¼	18⅜	-⅛
23	17¾	Acpimcoln			9	55	18⅜	18⅛	18¼	+⅛
66⅜	58⅛	ACE Ltd x	0.72	1.2	10	247	61¼	60¼	61⅛	-⅛
10⅜	10	ACM Gvt In x	0.90	9.0	10	97	10⅛	d10	10	-⅛
7⅝	7	ACM GvOpp x	0.63	8.7		13	7¼	7¼	7¼	-⅛
9⅞	9¼	ACM Man x	0.90	9.6		222	9⅝	9½	9½	-⅛
10⅜	6¼	Acme Elect				21	6½	6⅜	6⅜	-⅛
20	14⅝	Acme Mtls			63	25	14⅞	d14⅝	14⅝	-¼
33	27¼	Acordia	0.80	2.5	15	5	31⅝	31⅝	31⅝	
29¾	21⅛	Acuson				514	23	22	22½	-⅛
21	19⅜	Adams Expr	0.55	2.8	1	83	20⅛	20	20	-⅛
48½	24⅞	AdvMic				15026	38½	37	38½	+1
15	10⅜	Advest Grp x	0.03	0.2	9	47	12⅞	12¾	12⅞	+⅛
14⅝	11⅜	Advo Inc			29	105	12⅝	12½	12⅝	
73⅝	61⅛	Aegon	1.45	2.1	19	269	68½	67⅞	68⅜	-⅞
5⅛	3⅛	Aerflx				144	3⅝	3⅜	3⅝	+⅛
67⅝	48	AES Corp				20	61	61	61	+1½
93⅛	73	Aetna	0.80	0.9	65	7473	90¼	87¾	90⅛	+1⅝
43½	37½	Aflac	0.40	1.0	14	1863	40	38⅝	38⅞	-⅛
21⅝	18⅜	AGL Res	1.08	5.6	14	277	19⅜	18¾	19⅜	+⅜
45¼	32	Ahmsn	0.88	2.4	26	4349	36⅞	36⅝	36⅝	-⅜
77⅝	66⅜	AirPrC x	1.10	1.6	18	1554	70¼	68¾	69⅝	-¾
33⅛	22¾	Airbne Frt	0.30	0.9	25	1236	32⅞	32½	32⅝	
24½	14¼	Airgas			22	2548	15½	15	15⅛	-¼
17⅜	10	Airlease x	2.43	22.9	5	128	10⅞	10½	10⅝	-⅛
29⅜	22	AirTch			65	11354	24	23¼	23⅜	-⅛
27⅝	20¾	Alaska Air			9	1479	25	24¾	24¾	-⅛
24½	19¾	Albany Int	0.42	2.0	12	495	20¾	d19¾	20½	+¾
24⅛	14⅜	Albemarle	0.28	1.5	7	413	19	18⅞	18¾	+⅜
30¼	23⅞	AlbCuB	0.20	0.7	20	1443	27¼	26	27⅛	+⅞
25⅞	20	AlbCuA	0.20	0.9	16	808	22¾	21⅝	22½	+½
37⅛	30⅝	Albtsn	0.64	2.0	16	2297	31⅝	31⅛	31⅜	+⅛
38¼	30½	AlcnAl	0.60	1.8	14	3894	32⅞	31¾	32⅞	+⅞
64⅜	41⅜	AlexBrown	0.68	1.2	9	1286	59½	58⅛	59	-⅝
31⅝	27½	AllegP	1.72	6.2	15	501	27¾	d27⅜	27⅝	
29½	21	AllegT	0.64	2.3	22	4284	28½	27⅝	28¼	+⅜
27¾	21¼	Allegnce	0.40	1.8	19	1173	22⅜	21⅞	22⅜	+⅛
26½	16	Allen Com			23	426	18½	18	18⅛	-⅛
36¼	26⅞	Allergan	0.52	1.9	23	1727	27¾	27¼	27¾	+⅛
30¼	24	Allnce Cap	2.36	8.9	11	188	26⅝	26⅛	26⅝	+½
14⅝	12⅛	Allnce Gl				132	13¼	13	13⅛	-⅛
44⅜	38½	A Insh	1.45	3.4	11	493	42¾	42⅜	42¾	+1½
76½	66½	AldSig	1.04	1.5	19	4220	71⅛	68½	71⅛	+2⅜
32¼	30	AllmPr	0.16	0.5	12	1070	31⅜	31¼	31⅜	
10⅝	10⅛	Allmer	0.84	8.3		35	10¼	d10⅛	10⅛	
68¼	56¼	Allste	0.96	1.6	13	6201	61⅞	61¼	61⅞	+½
36¾	30⅝	Alltel	1.10	3.4	20	2333	32	31⅛	32	+¾
10⅛	4¾	Allwaste			29	959	7½	7	7	-⅝
15⅛	11⅜	AlpharmaA x	0.18	1.3		55	13⅞	13⅝	13⅞	+¼
40¼	32⅞	Alumax			7	3045	37⅞	35⅞	37⅜	+1⅝
78¼	62⅞	Alcoa	1.00	1.5	23	9253	69	66½	68⅝	+1⅞
31⅝	24¾	Alza Cp A			25	4671	27¼	25⅞	27⅛	+⅝
6⅛	6	AmGoldnc x	0.42	6.9		199	6⅛	d6	6⅛	+⅛
20½	16¼	Am Precis	0.26	1.6	17	265	16½	d16¼	16⅜	+⅛
7⅝	5⅞	AmaxGd				953	6⅛	6	6⅛	
74	63¼	Ambac	0.66	1.0	8	692	64	63⅞	63¾	-⅛
25⅞	21¼	Amcast Ind	0.56	2.3	14	83	24	23⅝	23⅞	
62	48	AmdaHs	0.60	1.2	6	3181	49⅛	48⅛	48¾	-⅜
53⅞	47⅜	AmBrnd	2.00	3.9	18	3978	52⅞	50⅜	51⅞	+1¼
25⅜	22⅛	Am Bus Prd	0.62	2.6	18	86	23⅝	23⅜	23½	+⅛
43⅛	39⅝	AmEPw	2.40	6.0	12	3576	40¼	d39½	40¼	+½
70	53⅝	AmExpr x	0.90	1.5	15	10033	60⅜	58⅝	60	+¼
44⅝	35½	AmGenl	1.40	3.7	13	5502	38⅝	38	38¼	
5⅜	5⅛	Am Govt In x	0.36	6.9		87	5¼	d5⅛	5¼	+⅛
26	22⅞	Am Hlth Pr	2.10	8.7	14	157	24½	24⅛	24⅜	-⅜
27½	23½	Am Heritge x	0.76	3.1	12	81	25	24½	24⅝	-⅜
68⅞	57	AmHome	1.64	2.6	21	14193	63⅜	60	63¼	+3
1⅛	11/16	Am Hotels				20	¾	¾	¾	
129⅝	106½	AmIntl	0.40	0.3	19	9008	117⅛	114⅜	117	+1
6⅛	5⅜	Am Opp Inc x	0.44	7.7		79	5¾	d5⅝	5¾	
11¾	9	Am Real Es	0.50	5.0	4	193	10⅛	10	10	-⅛
45⅞	39⅝	AmStor	0.64	1.4	22	1825	44⅞	44⅜	44⅞	+¼
22¼	18¾	Am Watr 5%	1.25	6.4		20	19⅝	19⅝	19⅝	
24½	19⅞	Am Watr	0.76	3.6	16	520	21½	21⅛	21⅛	
38⅜	34½	Am Fin x	1.00	2.9	7	114	35	34⅝	34⅞	-⅛
47¾	37⅝	AmStnd				2671	46⅝	45½	46⅝	+⅞
65	55¼	Amrtch x	2.25	3.8	15	5937	59⅜	57⅞	59¼	+1⅛
52½	46⅜	Ameron Int	1.28	2.6	12	15	48⅞	48⅜	48⅞	+⅝
22½	19⅞	Ametek	0.24	1.1	13	163	21⅞	21½	21½	
91⅝	80⅛	Amoco	2.80	3.5	14	14164	81⅛	d80	80⅞	-⅜
13⅞	11⅛	AmpcoPitt x	0.34	2.6	10	154	13	12⅛	13	+1
28⅛	21½	Amphenol			17	1336	25¼	25⅛	25⅛	+¼
55	47¼	Amsth	1.68	3.4	15	692	50⅛	49⅛	49⅜	-⅝
73	50⅞	Anadrko	0.30	0.6	30	3080	53⅞	52⅛	52½	+1
29¼	21	Analog			23	4748	24⅝	23⅞	23⅞	-¾
21	17¼	Angelica	0.96	5.4	20	435	18⅜	17¾	17⅞	+⅜
45½	40	AnBsch	0.98	2.3	18	4329	42½	42⅛	42½	-⅛
17⅞	12	Anixter			17	222	13	12½	13	+⅝
67¼	60¼	Aon Cp	1.56	2.4	25	1787	64¼	62⅝	64¼	+1⅜
39¾	30⅝	Apache Crp x	0.28	0.9	21	4044	31⅛	d30⅝	30⅝	-⅜
9¾	9⅛	Apex Mun F x	0.66	7.1		508	9⅜	9¼	9¼	-⅛
60½	26⅝	Appld Mag			23	5363	33¾	31¼	31⅜	-⅜
43½	38½	Appl Pw A	0.12	0.3	16	718	42⅜	42⅛	42⅜	+⅛
23	17	ArchDn	0.20	1.1	18	14761	17⅝	d17	17⅝	+⅛
50½	42⅛	ArcoCh	2.80	6.6	11	321	42¼	d42	42⅛	-⅛
4⅞	3⅜	Armco			51	302	4⅛	4	4⅛	
24	21	Armco 2.1P	2.10	9.3		2	22½	22½	22½	-⅛
72¼	61½	ArmstW	1.60	2.5	15	1893	62⅞	61¾	62⅞	+½
59¾	51⅛	ArrwEl			13	841	54⅝	53⅞	54⅜	
6⅞	3⅞	Artra Grp			18	8	5⅛	5⅛	5⅛	
25⅞	21	Arvin Ind	0.76	3.2	11	491	24	22½	24	+1⅝
32⅝	24⅞	Asarco	0.80	2.8	8	1887	28¼	27⅞	28⅛	+⅝
13¾	11⅞	AshntiGDR	0.32	2.3		20	u13⅞	13¾	13¾	
45⅛	38¼	Ashlnd	1.10	2.5	20	4394	44⅝	43¾	44⅛	+½
28⅜	23¾	Ashld Coal	0.45	1.7	30	z100	26⅜	26⅜	26⅜	
13⅝	11⅛	Asia Pac F	0.50	4.3		163	11½	11⅜	11½	
4⅛	3⅛	Asset Invr	0.38	11.3	8	444	3⅜	3¼	3⅜	+⅛
52⅝	33⅛	AssFstCpA	0.40	0.8	19	2171	47⅞	46⅜	47⅛	+1⅛
43⅞	32¾	AT&T x	1.32	3.9	9	22515	33⅝	33	33¼	-⅜
332⅝	300	Atl Rich 2	2.80	0.9		20	307	307	307	
9	8⅛	Atlnta Sos			8	6	8⅞	8⅞	8⅞	
17⅞	16¼	Atlntic Egy x	1.54	9.2	14	273	16⅞	16⅝	16⅝	-⅛
138⅛	124⅞	AtlRich	5.70	4.4	12	2861	130	129	129⅝	
13/16	⅝	Atlas				69	11/16	11/16	11/16	-1/16
26¼	22⅛	AtmosEn	1.00	4.2	16	161	24⅛	23¾	24	+⅛
9¾	8¾	Austria Fd	0.13	1.5		877	8⅞	d8¾	8⅞	
45⅛	39½	AutData	0.46	1.1	25	3772	43⅞	42¾	43⅛	-¾
27½	19½	AutoZn			21	3322	24⅝	24	24¼	-⅜
27⅜	15½	Avemco			15	175	22⅞	22¼	22⅝	+⅜
12⅛	5⅜	Avlall				428	11	10½	11	+⅛
64⅞	55¼	Avnet	0.60	1.1	13	868	57⅜	56¾	57	-¼
63⅝	50⅝	AvonPr	1.36	2.2	24	3382	57⅞	56⅞	57¾	+1⅜
11⅝	9⅛	Aydin Corp	0.50	4.7		178	10⅝	10½	10⅝	
14⅛	6⅝	Aztar			14	1036	6⅝	d6½	6⅝	-⅛
		- B -								
53	44	BCE x			25	1451	46⅛	45¼	45⅞	+⅜
7⅝	6⅜	Bairnco	0.20	2.9	8	2	7	7	7	
18⅛	16¾	Baker Fent	0.37	2.1		180	17¾	17⅝	17¾	
41¼	34⅛	BakerH	0.46	1.3	26	4832	36	35⅜	35⅞	+¼
28⅝	24¼	Baldor Elc	0.44	1.7	19	87	25⅝	25⅜	25⅝	+¼
27¾	23¾	BallCp	0.60	2.3	17	460	26⅜	25⅞	26¼	+½
21¼	17⅞	BlltMd	0.05	0.3	21	287	20	19⅝	19⅞	-¼
28	25½	BaltGE	1.60	6.3	13	3883	25¾	d25⅛	25⅜	-¼
49¾	39¾	BncOne	1.52	3.7	12	16208	41¼	40¾	41⅛	-¼
61⅞	52⅛	BancoBil V x	1.67	2.7	20	170	61¼	60¼	61⅛	+1⅝
13⅞	12⅛	BCH	0.30	2.3	43	151	13⅜	13¼	13⅜	
14¾	13	BCP ADR x	0.34	2.4	11	215	14⅜	14¼	14¼	+¼
46⅞	40⅝	BcrpHawall	1.20	2.9	13	592	41½	40⅞	41	-⅝
51⅞	45	Bandag x	1.00	2.1	14	181	47⅞	47	47¾	+⅛
123¼	95⅜	BankAm	2.44	2.3	14	15810	105⅛	102½	103⅞	-2¼
42⅛	32⅜	BankNY x	0.96	2.7	13	17320	36¼	35⅛	35¼	-¼
19¼	13⅞	BTM ADR x	0.06	0.4		462	15⅛	14⅞	15	+⅛
49¾	47¾	BankAm A	3.25	6.6		8	49¼	49⅛	49⅛	
94½	90¾	BankAm B	8.00	8.5		4	91⅞	91⅞	91⅞	
79½	62⅞	Bkbstn	1.76	2.8	15	8624	64⅜	d61⅞	63⅝	-½
87	79	BkbstnD 59	5.44	6.8		20	79½	79½	79½	
47⅞	45½	BkbstnA	2.96	6.4		z100	46	46	46	
98¼	74¼	BnkTst x	4.00	5.3	11	5124	75½	d74	75	-⅝
80½	63⅝	Bclays x	2.12	3.2	12	258	66⅞	66⅛	66⅜	-⅜
29½	26⅜	Bard (C R)	0.68	2.3	17	1902	29⅜	28½	29	+⅜
74½	59⅜	Barnes Grp	1.80	2.5	13	101	71⅜	70	71⅜	+1¼
51⅞	38	BarnBk	1.08	2.3	15	2813	46½	45⅞	46⅛	-½
28¾	22⅜	BrckGd	0.14	0.6	38	14350	23	d22⅞	23	+¼
11½	9½	Barry(RG)			12	41	10⅝	10¼	10⅝	+⅜
7⅝	5⅝	BattlMt	0.05	0.8		3527	6	5¾	6	+⅛
40¼	32½	Bausch	1.04	2.7	25	1518	38¼	37½	38⅛	+½
49¾	39⅞	Baxter	1.13	2.5	21	8150	45¾	43⅞	45⅝	+1¼
24⅝	15⅜	BayNtwks				40409	18⅛	17⅜	17½	-⅝
28¼	25⅛	Bay St Gas	1.54	6.0	13	64	25⅞	25⅛	25¾	+¼
27⅝	15⅞	BBN				495	16⅜	16	16⅛	-⅛
20¼	19⅛	Bd Tr 1838 x	1.56	8.2		2	19⅛	d19⅛	19⅛	-⅛
8⅛	7½	BSA Inc x	0.72	9.0		231	8	7⅞	8	
9½	9	BenStbr x	0.81	8.9		117	9¼	9⅛	9⅛	-⅛
34	28	BearSt	0.60	2.1	7	2784	29⅛	28¾	29⅛	+¼
35⅞	27½	Bearings	0.64	2.1	15	414	32½	29¾	30	-2⅝
44⅜	37	Beckman In	0.60	1.4	16	216	42⅞	42	42⅞	+⅝
51⅝	42¾	BectnD	0.52	1.2	20	2115	45⅞	44¾	45⅛	+½
21¼	16⅜	BdfrdProp x	1.04	5.5	15	318	19¼	18¾	19	
71⅜	58¾	BellAtl x	2.96	5.0	14	7799	59⅞	58⅛	59¼	+¼
24	16¾	Bell In			7	585	16⅝	d15⅞	16⅛	-⅝
47⅞	38⅛	BellSth x	1.44	3.5	14	8670	41⅝	38¾	41½	+⅞
39½	33¼	Belo A	0.44	1.2	17	301	36¼	35⅞	36⅛	-⅛
43⅝	35⅝	Bemis	0.80	2.1	20	232	39	38	39	+⅛
67	63¾	Benef 4.3P	4.30	6.7		20	64¼	64¼	64¼	
75¾	60⅛	Benef	2.08	3.3	12	1809	63⅛	60⅞	62½	+2¼
27	22⅞	Benetton A	0.36	1.4	16	6	25⅝	25⅝	25⅝	
½	11/32	Benguet B			17	40	11/32	d11/32	11/32	-1/32
33¾	27½	BergBr	0.48	1.6	16	2054	30¼	30	30¼	-⅛
37900	33000	BerkHA			40	1	37800	37300	37800	+200
1264	1088	BerkHB				11	1260	1249	1260	-3
15⅞	13⅞	Berry Petr	0.40	2.8	17	185	14⅝	14⅜	14⅜	
13¾	7⅞	Best Buy				904	12⅞	12⅝	12⅝	-⅛
27½	25¾	Beth St 2.	2.50	9.4		8	26½	26¼	26½	+¼
53¼	49⅞	Bethlhm Pf	5.00	9.9		13	50¾	50¾	50¾	
8¼	7⅝	BethSt				5433	8⅛	7⅞	8⅛	+¼
67	54⅞	Btzbrn	1.50	2.3	31	531	65⅝	64¾	65½	+¾
16⅛	12¼	BevEnt			27	6247	15	14⅜	14⅜	
40	25½	BG ADR				149	30¼	29⅞	30¼	+⅜
19½	17⅜	Bindley W	0.08	0.4	12	269	19⅛	19	19⅛	+⅜
22	14¾	Birmngm S	0.40	2.5		677	15⅞	15¾	15⅞	
34⅞	29⅝	BlDeck	0.48	1.6	18	2797	30⅝	29⅞	30⅜	+½
29	26¼	Black H PL	1.42	5.2	13	94	27⅝	27⅜	27½	+⅛
8⅞	8⅜	BlckrckAdv x	0.63	7.2		43	8⅝	8½	8⅝	+⅛
6⅝	6⅛	BlckrckInc x	0.56	9.0		412	6⅜	6¼	6¼	-⅛
9⅛	8¾	BlckrckTgt x	0.57	6.5		891	9	8⅞	8⅞	-⅛
32¾	28	Block	0.80	2.5		3600	31¾	30⅝	31½	+⅝
43¾	37⅝	Blount A	0.51	1.3	14	247	39¾	39⅛	39¼	-⅛
10¼	8	BlueChlp x	0.88	10.7		262	8¼	8⅛	8¼	
3¼	2⅝	Bluegreen				165	2⅞	d2⅝	2¾	
35	24⅝	BMC Ind	0.06	0.2	21	175	26⅜	25¾	26⅛	-⅜
114½	94	Boeing	1.12	1.1	31	17515	101¼	97¾	99⅝	-1¼
38⅛	28⅝	BoiseC x	0.60	2.0		1805	29⅝	d28⅝	29½	+¼
5⅜	3½	Bombay Co				616	3¾	d3½	3½	-⅛
12¼	8⅛	Bordn Chm	0.40	3.8		361	10⅞	10⅝	10⅝	-¼
24⅜	22¼	Bostn Celt	1.50	6.2	12	20	24	23⅝	24	-⅜
71½	44⅞	BosSci			48	21870	45⅝	d42⅛	42½	-3
43¾	36⅞	Bowatr	0.80	2.0	5	976	40⅜	39⅛	40	-¼
26⅝	21¾	BrzlFd	0.67	2.4		629	25⅛	24⅞	25⅛	-⅛
27¼	23¾	BRE Prop	1.38	5.6	8	187	24⅞	24⅝	24¾	
27½	18½	BrwdT	0.28	1.4	14	137	20⅜	20	20⅜	
48⅜	42⅝	BrigSt	1.08	2.3	16	4380	u48	d42⅝	48	-5¼
18¾	10⅝	Brinkerlnt			15	1041	12	11¾	11⅞	
68	53¼	BrMySq x	1.52	2.4	21	14673	62¾	60	62⅛	-¼
108¼	94¾	Br Air	2.29	2.1	14	63	u110⅝	108⅞	110⅝	-2⅝
147	129¾	BP x	3.94	2.9	15	2169	133⅝	133⅛	133⅝	-1½
18¾	15⅛	BP Prudhoe x	2.20	14.1	8	453	15¾	15½	15⅝	-⅛
27⅝	23⅛	BSteel	1.68	6.9	5	4828	24⅛	23⅝	24¼	+¼
73¾	66⅜	BT	3.20	4.4	13	730	72⅜	71¼	72½	-⅜
30½	27	BklynU x	1.48	5.3	11	503	27⅞	27½	27⅞	
18¾	14⅝	BrwnGp	1.00	5.8	14	946	17⅜	17	17⅛	-⅛
15⅝	12	BrwnSh			15	295	12½	12½	12½	
49	42⅜	BrnFmA	1.08	2.3	19	46	47½	46½	47½	+1¼
49¼	42¼	BrnFmB	1.08	2.3	19	20	47¼	47¼	47¼	-⅝
32¾	25¾	BrFerr	0.68	2.5		2738	27¼	26⅞	27	-⅛
7⅞	6⅛	BRT			18	20	6⅝	6⅝	6⅝	
29⅞	23¼	Brnswk	0.50	1.8	14	3077	27⅞	27⅛	27⅝	+¼
19½	18⅛	Brush Well	0.44	2.4	12	24	18⅜	18⅛	18⅜	+⅛
32½	25¾	BuckeyeCel			11	110	31⅞	31	31⅝	-⅜
44⅞	40⅛	Buckeye Pt	3.00	7.1	10	31	42⅜	42⅛	42⅛	-⅛
18⅞	12⅝	Burl Coat			16	387	18⅝	18⅜	18⅝	
89⅝	71⅛	BurlN	1.20	1.7	12	5693	72⅛	71⅜	72	-½
54½	40⅛	Burlo Resc	0.55	1.3	15	3115	41⅜	40⅞	41⅛	+⅛
15½	11⅜	Burnham Pc	1.00	8.2	17	129	12¼	11⅞	12⅛	+¼
27⅝	24⅛	BushBoake			15	427	25⅜	25¼	25¼	-⅛
		- C -								
34½	31½	CMS En	1.08	3.4	13	2717	32⅛	31⅞	31⅞	-¼
114¾	101¼	CNA Fn			6	69	102⅛	101⅝	101¾	-¼
87	75⅜	CPC x	1.64	2.1	19	3286	80¼	79½	79¾	-¼
19½	16⅝	CPI Corp	0.56	3.3	16	83	17⅛	16⅞	17	-⅛
52	41¼	CSX	1.04	2.2	11	4498	46⅞	45¾	46½	
61	41	CTS Corp x	0.72	1.2	13	36	60¼	59¾	60	-¼
25½	22⅜	CableWire	0.53	2.2	17	114	23½	23¼	23⅜	-⅛
37⅝	27½	Cabtrn			21	8127	31	30¼	30½	-⅞
25⅞	22⅝	CabotC	0.40	1.6	10	369	24¾	24⅛	24¼	-¼
19⅞	15½	Cabot O&G	0.16	1.0	23	227	15¾	d15⅛	15⅛	-⅛
36½	31⅛	CadSchwps x	1.17	3.4	14	101	34⅝	34⅜	34⅜	-¼
45	28⅝	CadnceDsgn			20	21823	29⅛	d27¼	29	-2⅝
6⅞	2⅝	Cal Real E	0.10	2.2		10	4⅜	4⅝	4⅝	
39⅛	32	Calenergy			22	567	34⅜	33⅞	34¼	+¼
12⅞	10⅝	Calgon Crbn	0.32	2.8	21	548	11¾	11⅝	11⅝	-⅛
27¾	19¼	CalSys x	0.40	1.5		3318	27⅜	26⅝	27⅜	+⅝
33⅞	26⅜	ClwayGlf	0.28	0.9	16	3070	32	31⅛	31⅞	-½
19¼	17⅜	Calfrnt Co	0.40	2.3	44	88	17¾	17⅝	17⅝	-⅛
49½	29¼	CmpbS	0.77	1.6	33	8577	47⅝	45½	47¼	+1⅝
1	11/32	Campbl Rs			12	785	¾	d11/32	¾	-⅛
27⅞	22¾	CanPac x	0.32	1.3	30	6056	24⅛	23⅝	24¼	-⅜
44⅞	33	CapOneFn	0.32	1.0	14	2133	33⅝	33⅛	33¼	-¼
18⅛	14⅞	Cpstd 1.26	1.26	8.0		396	15¾	15⅝	15¾	-⅛
25⅜	19½	Capstd Mge	2.32	10.7	9	1207	21⅜	21⅛	21⅜	-⅛
65⅞	51⅝	CardHlth x	0.10	0.2	41	2004	56½	55½	55¾	-¼
35⅝	27⅛	CarlCo	0.48	1.7	15	758	28⅜	28	28⅜	+⅜
29¾	23⅛	Carmike				278	u30	29⅜	30	+½
39¾	31⅜	CrnvlA	0.44	1.2	18	5150	35¾	35¼	35½	-⅛
39⅛	34⅝	CarP&L x	1.88	5.4	13	1267	34⅞	d34½	34⅞	+¼
39¾	34¾	CpntrT	1.32	3.4	11	196	38¾	38½	38¾	
16⅜	12¾	CarterWal	0.16	1.2	23	293	13⅞	13¾	13⅝	-⅛
17⅛	15⅜	Cascde N G x	0.96	6.1	18	21	15¾	15½	15⅝	-⅛
59¼	48⅞	CaseCp x	0.20	0.4	11	2058	55	53¾	54¾	+¼
10½	8	Cash Amer	0.05	0.5	17	736	9⅜	8⅞	9¼	-⅜
18¾	13⅞	Castle&Ck			53	214	13½	d13¼	13¼	-⅛
83¾	72½	Catptr	1.60	1.9	11	10099	u85⅝	82½	84⅝	+1⅝
37½	27⅛	CDI Corp			16	455	36⅜	35⅛	36⅛	+1⅛
41	35⅛	Cedar Fair x	2.50	6.5	12	97	38⅜	38⅜	38⅜	-⅛
11⅛	9⅝	CentEn	0.80	8.1	12	535	10	9¾	9⅞	-⅛
42	33½	Centex	0.20	0.6	10	1116	35	34⅜	34⅞	
33⅞	30½	Centr Hdsn x	2.12	6.7	10	154	31⅜	31⅛	31¾	-⅛
26	25¼	Centr Loui	1.54	6.0	11	76	25¾	25⅝	25¾	
11⅝	10	Centr Main x	0.90	8.5	6	507	10⅝	10¼	10⅝	+⅛
51¼	43⅞	Centr Nwsp	0.76	1.5	21	58	49½	49¼	49½	
13⅞	10⅝	Centr Vrmt	0.88	8.0	7	77	11⅛	10⅞	11	
26	18⅞	CentSW	1.74	9.5	12	6420	18⅞	d18⅛	18⅜	-½
33½	28¼	Century Tl	0.37	1.2	13	3098	30¼	29½	30	-⅜
42½	29½	Ceridn			20	3506	31⅝	30¾	31½	+⅝
20⅜	14	ChmpEnt			13	3381	14⅞	14½	14⅝	-¼
47⅜	41½	Chmpin x	0.20	0.5	29	6173	44	42⅝	43¾	+¾
13	11⅛	Chaparral	0.20	1.6	9	20	12⅛	12⅛	12⅛	
6¼	4⅞	Chart Hse				90	5⅜	5⅜	5⅜	
110⅝	85⅝	ChaseM x	2.48	2.8	17	48728	90⅞	88½	89⅞	-2⅝
1⅜	½	Chause B				115	1⅛	13/16	13/16	-3/16
24⅛	9¾	CheckSy	0.02	0.2	20	5571	12	11¾	12	+½
37¾	35¼	Chemed	2.08	5.8	11	165	35⅞	35½	35¾	-⅛
32½	27⅛	Chesapeake x	0.80	2.5	25	425	32⅛	30½	31¾	+⅞
72⅞	61⅜	Chevrn	2.16	3.3	16	6385	64⅞	63⅛	64⅞	+¾
24⅞	20¼	ChileFd	0.65	2.7		900	24⅛	23⅞	24⅛	+¼
14⅜	12⅞	ChinaFund	0.08	0.6		128	14	13⅞	13⅞	+⅛
16⅛	12⅝	ChipBr	0.20	1.3		708	15⅛	14⅞	15⅛	+¼
6¼	4¾	Chock Full			12	54	6	5⅞	5⅞	
44¾	39⅛	ChCrR				345	41	39¾	41	+1⅛
34¼	25⅝	ChrisBana			28	10	33	33	33	-¼
38¾	28⅛	Chrysir x	1.60	5.3	5	32902	30⅛	29⅛	30	+1⅛
62¾	51⅛	Chubb	1.16	2.2	19	2962	53½	52⅞	53⅜	-⅛
161⅝	134⅛	Cigna	3.32	2.3	10	1606	145⅞	144	145⅜	-½
8⅞	8⅜	Cigna H I	0.81	9.5		155	8⅝	8½	8½	
39⅝	35⅜	Clcorp In	2.45	6.3	16	50	39	38½	39	+¼
67½	52⅛	Cinn Bell x	0.80	1.5	20	3080	54	53⅛	54	
23⅞	17⅞	CinMil	0.36	1.9	10	727	18⅞	18⅜	18⅞	-¾
1⅝	1⅛	Cineplex O			4	498	1⅜	d1¼	1⅜	
35¾	32⅝	Cnergy	1.80	5.3	17	2971	34⅛	33⅝	34	+⅛
37	34⅜	Clpsco	2.08	6.0	14	259	34½	d34	34½	
39⅞	28⅝	CircCt x	0.14	0.4	27	2407	38⅜	37⅜	38	
36⅞	25	Circus Cir			25	8474	25¼	d24⅝	25¼	-⅛
127⅛	99⅝	Citicp	2.10	2.0	13	33300	105⅝	102⅞	104⅜	-2½
93¾	92⅞	CtcpPf2Ad	6.00	6.4		20	u93¾	93¾	93¾	
100	98	CtcpPf3Ad	7.00	7.0		20	99⅝	99⅝	99⅝	
12½	10⅝	Ctzn Util A			15	904	11¾	11⅝	11⅝	-⅛
12½	10¾	Ctzn Util B			15	327	11¾	11⅝	11⅝	-⅛
25⅜	20⅜	City Natnl	0.44	2.0	14	1061	22	21½	21⅝	-½
25¾	18⅝	CKE x	0.08	0.4	27	384	20½	20¼	20¼	-¼
19	12	ClairStr	0.12	0.7	18	2476	17⅝	17¼	17⅜	-¼
15¾	12⅝	Clayton Hm x	0.08	0.6	13	4019	13½	12¾	13¼	-⅛
8⅝	7½	Clemente G	0.61	8.5		144	u8⅝	8⅜	8½	-⅛
94	82⅝	Cleve7.56	7.56	8.2		z50	92	92	92	-1½
45⅞	41½	ClevClf	1.30	3.1	7	1754	42⅛	41⅞	42	
94½	82½	Clevld El	7.40	8.2		z100	90	90	90	
127¼	97¼	Clorox	2.32	2.0	25	1070	117⅝	113½	117⅝	+3¼
4⅛	1⅞	CML Group				680	2⅛	d1⅞	1⅞	-¼
10¾	10¼	CNA Income	0.96	9.1		19	10½	10½	10½	-⅛
30⅞	17⅛	Coachmen	0.20	1.1	10	187	18¼	17⅞	18	
46⅞	35½	Coast Sav			70	605	39⅜	39	39¼	-⅜
51¼	44¼	Coastl	0.40	0.9	9	1740	45	44½	44⅞	
63¾	51¼	Coca C	0.56	1.0	38	31348	59	57¾	58⅞	+⅝
66	47⅛	CocaEn	0.10	0.2	68	1757	58⅞	58	58½	+1
18⅜	13⅞	Coeur Dale	0.15	1.0		447	15	14½	14⅝	
35⅛	28⅛	Cognzt	0.12	0.4	21	4122	31⅞	30⅝	31⅞	+⅞
16⅛	11½	Coleman				5344	16	15	16	+2
117⅜	90	ColgPa	2.20	2.1	25	4853	107⅞	104	107⅛	+2⅝
10⅜	9⅞	ColonInc x	0.64	6.4		4	10	d9⅞	10	
8⅝	7⅝	ColonHg x	0.55	6.9		74	8	d7⅞	7⅞	-⅛
7½	7¼	ColonIn	0.68	9.4		38	7¼	d7⅛	7¼	+⅛
7⅛	6⅞	ColonMn x	0.51	7.0		85	u7⅜	7¼	7¼	+⅛
65⅞	56	ColGas	0.60	1.0	14	1492	57⅝	56⅞	57½	+⅛
44⅞	30⅝	ColHCA	0.08	0.2	15	33831	35	33⅞	34⅞	+¾
23⅞	19⅞	ColRlt	1.58	7.8	21	57	20⅜	20¼	20⅜	+⅛
32¼	27⅜	Comdisco	0.28	1.0	14	627	28⅜	28	28⅛	
63⅛	51⅜	Comrica	1.72	3.1	15	1253	56⅝	55	56⅝	+¼
13⅞	11⅝	Comfsirc	0.54	4.8	13	228	11⅝	11¼	11¼	-¼
30⅝	27⅛	Comml Met x	0.52	1.9	10	105	28¼	27¾	27¾	-½
25	24	CommEd1.9 x	1.90	7.9		6	24¼	24⅛	24⅛	
25⅝	24⅞	CommEd2.00 x	2.00	8.0	3	z100	25⅛	25⅛	25⅛	
10½	8⅛	Commun Pay				343	8½	d8⅛	8½	
87⅞	71	Compaq			15	48334	76⅞	72⅞	73⅞	-1⅜
18⅛	11⅛	CompCr				333	18⅛	15⅞	16	-⅛
50⅞	37¼	CmpAss	0.10	0.2	52	5195	43⅞	42⅜	43	+⅛
62⅝	60¼	CmpSci			22	2066	61⅞	61	61¼	
47½	33⅛	Compr T5p	0.10	0.2	36	481	45⅛	44¾	45	-½
28½	22½	Comsat	0.78	3.2	32	806	24⅝	24¼	24⅝	+⅛
14⅛	6⅝	ComstockR			5	2273	7⅜	7	7⅜	+⅜
57⅞	49	CnAgra	1.09	1.9	55	8869	u57½	54½	57½	+2½
25½	21¼	Connect NG	1.52	7.0	12	64	21¾	21⅝	21⅝	-⅛
24⅜	21	ConsEn	1.32	6.1	12	14	21½	21⅜	21½	+⅛
113¾	98½	CnRail	1.80	1.7	26	1842	u113⅞	113⅝	113¾	+⅛
71⅛	68⅞	ConsE4.65 x	4.65	6.8		20	68⅞	d68⅞	68⅞	
32⅛	27⅞	ConsEd	2.10	7.4	9	1284	28⅜	28	28⅜	+⅛
72½	68⅞	Cons Ed Pf x	5.00	7.2		8	69½	68⅞	69½	+¼
29⅛	20⅛	CnsFrt	0.40	1.4	18	8453	u29⅛	27½	29⅛	+2
57¾	47⅞	CnsNG x	1.94	4.0	15	882	48⅞	48	48⅞	+¾
53	47⅛	ConPap	1.66	3.2	15	498	u53	52	52½	+⅝
39⅛	30⅝	Cons Store			23	2581	u39⅞	39⅛	39¼	-¼
43⅞	30¾	Conseco	0.12	0.3	18	11832	39⅝	38⅝	38⅝	-1
98	95	CEgy 7.68	7.68	7.9		20	97½	97½	97½	
61	55¼	CEgy 4.16	4.16	7.0		20	59½	59½	59½	
98	93	CEgy 7.45	7.45	7.8		20	96	96	96	
15½	14⅝	Conv Hlds	0.29	2.0		111	14¾	14⅝	14¾	+⅛
9⅝	9½	Conv H Pf	1.16	12.7		206	9⅝	9⅜	9⅝	
22½	15⅞	CooprCo			11	188	18⅝	17⅞	18¼	+⅜
47	40	Coopln	1.32	3.1	14	5551	43⅝	42⅜	43¼	+⅞
21⅝	18	Cooper T&R	0.34	1.8	14	3042	18⅞	18⅛	18½	-¼
17¼	12¾	Core Ind	0.24	1.7	10	464	14¼	13⅝	14⅛	+⅜

BE OUR GUEST.

ISTANBUL POLAT
RENAISSANCE
HOTEL

When you stay with us
in ISTANBUL
stay in touch -
with your complimentary copy of the

FT
FINANCIAL TIMES

4 pm close April 16

NYSE PRICES

Continued from previous page

1997 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43¼	36⅝	SaraLee	0.84	2.0	21	11981	41⅛	40½	41	+¼
58¼	49⅞	SBC Cm x	1.79	3.4	15	10693	52⅛	50¾	52⅛	+¾
26⅞	23⅞	Scana Corp	1.51	6.2	11	525	24⅝	24⅛	24½	+⅛
9	7⅝	SchwabA	0.26	3.2	37	z0	8¼	8¼	8¼	
62	49½	SchererRP			34	770	50	d49½	49½	-½
82	63½	SchPl	1.32	1.8	22	4783	75⅝	72	75⅜	+2
118⅞	88	Schlmb	1.50	1.4	30	8274	108⅜	104¼	106⅜	+2¼
12⅞	9⅞	Schltr	0.72	1.2	11	863	10⅛	10	10	-⅛
42	30⅝	Schwab(C)	0.20	0.6	24	6990	34	31⅝	32	-2⅛
35⅝	29⅞	SchwMaud	0.60	1.9	13	231	32	31⅜	31⅞	+⅛
18⅞	14¼	SciAtl	0.06	0.4	56	2081	15⅛	14⅞	15⅛	+¼
29⅜	23	Scotsman x	0.10	0.4	14	20	26⅝	26⅜	26½	
13¾	12⅜	ScuddrNAsF	0.03	0.2		224	12½	d12⅜	12½	+⅛
15⅞	13⅝	ScuddrNEsF	0.06	0.4		20	14⅞	14¾	14⅞	+⅛
18¾	15⅛	SeaCnA	0.77	4.6	13	124	16¾	16¼	16¾	+⅜
16⅞	15⅛	SeaC1.4625	1.46	9.4		z0	15⅝	15⅝	15⅝	
56¼	37⅛	Sgate			15	24887	48⅜	44½	45¼	+¼
42¾	36¾	Seagrm	0.66	1.8		5295	37½	36⅞	37⅜	+⅞
24⅛	16⅛	Seagull En			28	1895	16¾	16¼	16⅝	
48	38¾	Sealed Air			27	389	44⅜	43⅞	44½	
56¾	44⅝	SearsR	0.92	1.9	15	15932	48¾	47¼	48¾	+⅝
25	21	ScCpSBM	1.30	5.6	15	263	23⅜	23⅛	23¼	
12⅞	12⅜	Seligm Sel x	0.84	6.8		40	12½	d12⅜	12⅜	
18	14½	Sensormat	0.22	1.4		3052	15⅞	15¼	15¾	-⅛
46⅞	36¼	SequaA	0.60	1.3	48	53	46⅜	46	46	-⅜
49⅛	47½	SequaB	0.50	1.1	50	z0	47½	d47½	47½	
33⅞	26⅞	SerCp x	0.30	0.9	30	4648	33¼	31⅞	33⅛	+1¼
30⅝	24⅝	SvMstr x	0.68	2.3	17	1022	30	29⅝	30	
4½	3⅛	ServMerch	0.02	0.8		1487	3¼	d3	3	-¼
60⅞	62½	SGSThm			17	3029	68	66⅛	67⅛	+⅛
14⅝	11⅝	Shaw Ind	0.30	2.3	72	984	13	12⅞	13	
17	11⅞	Shelby Wll	0.32	2.4	13	278	13¾	13½	13½	-⅛
107½	99¾	ShellTr x	4.64	4.6	22	29918	101¾	100½	101¾	-2
29⅛	24⅛	ShrWill	0.40	1.5	10	1744	27⅛	26¼	27	+⅝
8¼	4⅝	Shoneys			15	752	4¾	4⅝	4⅝	-⅛
23¾	17	Showboat x	0.10	0.5	95	280	20¼	20⅛	20¼	+¼
29⅞	27¼	Sierra Pac x	1.24	4.4	12	734	28⅝	28¼	28¼	-⅜
3⅛	1⅛	SignalApp				2100	1½	1½	1½	+⅛
32⅞	27½	SignBk	0.84	2.9	14	1376	28⅞	28½	28⅞	+¼
28⅛	17½	SiliconGr				13249	17⅞	d17¼	17⅞	-⅜
32¾	28⅞	SimonDbl	1.97	6.6	29	553	29⅞	29⅝	29⅞	+⅛
10⅝	9⅝	Sizeler	0.88	8.5	38	227	10⅝	10¼	10⅜	
2⅞	2¼	Sizzler				76	2½	2⅜	2½	
28⅝	21	Skyline	0.60	2.8	10	149	21⅞	21⅜	21⅜	-⅛
8⅛	6⅜	SL Inds	0.06	0.9	10	88	7	6⅞	6⅞	
49½	38½	SmithIn			28	711	46½	45⅝	45¾	-⅛
77⅞	65⅛	SKBchm x	1.94	2.6	25	5077	75½	74	75⅞	+1⅛
35⅜	23¾	Smiths Fd				515	35¾	35⅛	35⅛	-⅛
19⅝	16⅛	Smucker J	0.52	3.2	17	417	16⅜	d16⅛	16¼	
42⅜	34¼	SnapOnT	0.80	2.1	17	1414	37⅜	36¼	37⅜	+¾
61⅜	47⅛	Solectron			23	2111	52⅞	51	51¾	+⅜
57	45½	Sonat	1.08	2.1	22	1982	52¼	50⅝	52¼	+1¼
27¼	24⅞	Sonoco	0.68	2.5	14	331	27	26⅝	26⅞	+⅜
74¼	63⅝	Sony x	0.39	0.6	29	601	71⅛	70⅞	71⅛	-⅜
19	14¾	Sotheby	0.40	2.6	21	553	15¾	15½	15⅝	
45⅞	43¼	Source Cap	3.70	8.5		16	43⅞	43½	43¾	
36¼	35	SouthCal6%	2.50	6.9		z0	u36¼	36¼	36¼	
24⅞	21¼	SthJerInd	1.44	6.7	12	68	21⅝	21⅜	21⅝	+⅛
37¼	29	Sthdwn	0.40	1.1	10	880	35	34½	35	+⅛

1997 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
11¼	10½	Taurus Mun x	0.70	6.6		23	10⅝	d10½	10⅝	+⅛
2⅛	1½	TCCInd				52	2	2	2	
25⅛	23¾	TecoEngy	1.12	4.5	14	4177	24⅝	24⅛	24⅝	-⅜
53¼	48¼	Thrmq x	0.60	1.1	16	994	52⅞	52⅛	52⅞	
30	25⅛	TeleDt	1.16	4.4	11	685	26⅝	25⅜	26⅜	+1
118⅝	80½	Telebras				21749	112⅝	109⅞	112⅛	+1⅛
75¼	67⅝	TeleEspSA	1.17	1.6	18	1103	72¾	71¾	72⅝	+½
41⅜	32½	Telmex	0.91	2.2	17	32829	u42¾	40¾	42¼	+1⅛
57	49⅝	Templnl	1.28	2.5	29	1486	52¼	50¼	52	+1½
21¾	18⅝	TempltEmMk	0.21	1.0		144	20⅝	20⅜	20½	+⅛
29⅝	21⅞	TenetHlth				6272	25½	24¼	25⅜	+¼
48	38	Tenneco	1.20	3.0	30	1633	39⅝	39	39⅝	+¼
44	40⅛	Teppco Pts	3.00	7.2	11	45	41⅝	41⅛	41½	+⅛
37⅜	23⅜	Teradyne			28	17918	31⅜	29¾	31	+½
14⅛	9½	Terex				89	13¾	13⅜	13½	-⅛
16	12½	Terra	0.16	1.2	7	374	13½	13	13¼	-⅛
14½	10¼	Tesoro			3	190	10½	10⅜	10⅜	-⅛
111½	97¾	Texaco	3.40	3.3	13	4264	103¼	102⅛	102⅞	-⅝
29⅝	24⅛	Texas Ind	0.30	1.1	8	497	27⅜	27	27	-½
89⅝	82⅛	TxInst x	0.68	0.8		11336	85⅞	83⅞	85	+½
30⅞	26½	Texas Pac	0.40	1.3	20	21	30⅛	30	30	-⅜
42	32¾	TXUtl	2.10	6.4	9	2395	32⅞	d32⅜	32¾	-¼
4¾	2⅜	Textl Inds				40	4	3⅞	4	
107¼	90	Textrn	2.00	1.9	18	1417	104⅝	103⅜	104⅝	+1
3	2¼	Thackeray			19	z0	2⅜	2⅜	2⅜	
10¾	8¾	Thai Cap				347	9¼	9	9¼	+¼
18½	15¼	Thai Fund	0.21	1.3		278	16¼	15⅝	16¼	+½
41⅛	28½	ThermoElec			22	7767	30½	d28⅜	30⅜	+1⅝
60⅞	43⅞	Thiokl	0.68	1.2	17	249	57⅛	55⅝	57½	+¾
48⅛	41⅛	ThBett	1.12	2.6	18	1844	42½	42⅛	42½	-⅛
28	20½	Thomas Ind	0.40	1.6	14	30	24⅞	24¾	24⅞	
24⅜	16⅝	360Com			32	8501	16⅝	d15¾	16¼	-½
52½	41	Tidwtr	0.60	1.3	25	1192	45⅞	44⅝	45⅝	+⅛
42⅝	33⅞	Tiffany	0.20	0.5	23	513	39⅛	38⅝	38⅞	-⅛
38	29¾	TIG Hldgs	0.60	1.9	12	868	31⅝	31¼	31¼	
45	36⅜	TmWarn	0.36	0.8		28597	44	41⅜	43⅞	+3⅛
59⅞	48⅛	TmMirA	0.40	0.7	35	1253	54¾	53¾	54⅝	-⅛
55⅞	45¾	Timken	1.32	2.4	12	1025	54¾	54¼	54½	+⅛
3⅜	2¾	TitanCp				149	3⅜	3⅜	3⅜	
11⅞	10	Titan Pf	1.00	9.4		13	10⅝	10⅝	10⅝	
6⅝	4⅞	Todd Shp				54	4⅞	d4⅞	4⅞	-⅛
9⅞	7⅜	Toklheim Co	0.56	6.5	23	34	8¾	8⅜	8⅝	+⅛
20	17½	Toll Bros			10	69	18⅝	18⅜	18⅝	+⅛
59¼	42½	TootRr			23	998	51⅝	50½	51½	+⅝
47	37¼	Tootsie Rl x	0.29	0.6	22	538	45⅜	45⅛	45⅜	-⅛
61⅞	50	Tchmrk x	1.16	2.1	12	1449	55	54½	54⅝	-¼
36⅝	33	Toro Corp	0.48	1.4	17	185	34¾	34⅜	34⅝	-⅛
31⅜	25.58	Tosco	0.24	0.9	21	1785	27	26⅝	26⅞	
34⅝	25⅝	TotalSyst	0.05	0.2		2002	28⅜	d25⅜	26½	-1⅞
31⅛	24⅜	TysRUs			16	7937	27¾	27⅜	27¾	-⅛
24¾	23⅛	Transamlnc x	1.92	7.9	10	28	24½	24¼	24¼	-⅛
92½	77⅛	TransAm x	2.00	2.3	12	372	85⅝	84⅜	85⅝	+⅞
88¾	76¾	Transatlan	0.54	0.7	12	114	82¼	81½	81⅞	
14⅞	10¾	Transcnt R	0.28	1.9		35	14½	13⅝	14½	+⅜
71⅜	52¾	TransOff	0.24	0.4	29	2432	62	60⅝	61⅛	+¼
10	7⅞	Transpro	0.20	2.6	4	60	7⅞	d7¾	7¾	-⅛
22¾	19½	Trenwick	0.25	1.2	11	6	20⅞	20⅞	20⅞	
58⅜	43¾	Travlr	0.60	1.2	14	17308	51⅛	49¾	51	+¾
39½	31⅜	TriPCon	0.30	0.9	24	1775	34	33⅝	33¾	+¼
44⅝	37⅝	Tredegar	0.32	0.7	12	40	44½	43¾	44	-½
35¼	33⅜	TriCont2.5	2.50	7.2		z0	34¾	34¾	34¾	

AMEX PRICES

4 pm close April 16

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Brascan A	1.04	25	52	21⅜	20⅞	21⅜	+½
Cambrex	0.20	14	31	35⅛	34⅞	35	-⅛
CnFdCaA	0.01		224	4⁵⁄₁₆	4¼	4⁵⁄₁₆	+¹⁄₁₆
Cominco		18	z0	26	26	26	
CmpTch			238	10⅛	d9⅞	10⅛	+⁷⁄₁₆
Computrac			71	1⅜	1⁵⁄₁₆	1⁵⁄₁₆	-⅛
Concd FbA		14	20	6	d5⅞	5⅞	-¼
Garan	0.80	12	62	18	17½	17½	-⅛
GetchellG			583	40¼	39⅝	40	-¼
Glacr FdA	0.76	23	5841	33⅜	32	33⅜	+1¼
Glatfltr x	0.70	11	844	15¾	15½	15¾	+⅛
Goldfield			30	¼	d¼	¼	
HanDir			420	¹¹⁄₁₆	d⅝	¹¹⁄₁₆	+¹⁄₁₆
Media A	0.52	11	356	30½	29¼	30⅛	+⅞
Mitromedia			787	8	d7¹¹⁄₁₆	7⅞	-⅛
MidwLd			z0	8⅝	8⅝	8⅝	
Moog A		13	58	21¾	21¼	21¾	+¾
MSR Expl			540	u1⅛	1⅟₁₆	1⅛	
NatPatDev		3	103	6	d5⅞	6	-¹⁄₁₆
US Cellul		16	105	24⅝	d24⅛	24½	-¼
ViacmA			104	645	31¼	d30⅝	31¼	+⅜
ViacmB			108	8611	31⅞	31⅜	31⅞	+¼
WRET	1.12	19	z0	12½	12½	12½	-⅛
Xytronix			11	1⅟₁₆	d1⅟₁₆	1⅟₁₆	-⅛

NASDAQ NATIONAL MARKET

4 pm close April 16

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Kimball x	1.04	13	145	37	36⅛	36⅞	+⅜
KLA Instr		19	19794	40¼	38½	39¹⁵⁄₁₆	-⁵⁄₁₆
Koll A			1585	⅟₃₂	d⅛	⅛	
Komag		13	4756	29	27¾	28⅛	-⅝
Kulicke S			4919	24½	23⅞	23¾	-⅞
Rainbow		12	73	16⅝	d16¼	16⅜	
Rallys			578	3¼	2¹³⁄₁₆	3¼	+⅟₁₆
Raymond	0.25	14	411	29	28⅝	28¾	+⅛
RCSB Fin x	0.60	10	903	30⅜	29⅝	30⅜	+½
Read-Rite			15488	31¼	29⅝	29⅝	-½
Xircom		15	15433	12⅜	d10	10¼	-1⅜
Xoma Corp			930	5⁵⁄₁₆	5	5⅟₁₆	-⅟₁₆
Yellow			6710	u21⅛	20⅛	20⅞	+¼
York Rsch		16	729	8	7¾	7¹³⁄₁₆	-⅟₁₆
ZionsUtah x	1.76	16	292	116¼	115¼	115½	-1⅝

EASDAQ

EASDAQ is a fully regulated independent pan European Stock Market focused on high growth companies with international aspirations. The shares of companies on the EASDAQ Stock Market can be bought and sold through EASDAQ Members. EASDAQ Members are made up of Brokers and Banks from across Europe

Company	Mid price	Change on day	Volume	High	Low	Company	Mid price	Change on day	Volume	High	Low
ActivCard	US$7.5	-0.125	4300	8.25	7.375	Esprit Telecom ADS	US$10.875	+0.75	1000	12.5	9.75
Artwork Systems	*US$10.5*		*1000*	*11.375*	*10.25*	Innogenetics	US$12		3850	12.625	10.5
Chemunex	FFr16.5	-0.5	96000	19	16	Mercer Internl.	US$9.125		0	11.375	9
Dr Solomon's ADS	US$24.375	-0.125	1000	26	20.875	PoTech	US$4.375	+0.125	1200	6.25	4.125

Prices for 16/4/97 Please note that trading prices are currently used to calculate highs and lows.

Information about EASDAQ can be found on the Web site at: HTTP://WWW.EASDAQ.be
EASDAQ offices are located in Brussels (Tel. 32-2 / 227 65 20) and in London (Tel. 44-171 / 489 9990)

A SURE SIGN
OF THE RIGHT CHOICE

RENAISSANCE
HOTELS AND RESORTS

The Mark Of A Fine Hotel.

For reservations contact your travel agent or call toll-free from
Austria 0660 8552, Belgium 0800 13219, France 0800 906540, Germany 0130 812340,
Great Britain 0800 181737, Netherlands 06 022 7337, Switzerland 0800 552620

Dow advances on tobacco share rally

AMERICAS

Blue-chip stocks edged ahead in light early trading on Wall Street, as the equity market successfully resisted pressure from a sharp fall in bonds, *writes John Authers in New York*.

By midsession, the Dow Jones Industrial Average had gained 18.87 to bring it back above the 6,600-point level at 6,606.03. The gain was mostly attributable to a sharp appreciation in Philip Morris, which gained $3¼ to $42 on press speculation that the tobacco industry was close to reaching a settlement with lawyers for anti-tobacco lobbyists.

Dealers assumed that any settlement would be positive for the tobacco industry. RJR Nabisco, another large tobacco company, gained $3⅛, or 10.3 per cent, to $33⅞.

The Standard & Poor's 500, generally regarded as the most reliable benchmark of broad market performance, was little changed for the morning, down 0.15 at 754.57.

High-tech stocks had a weaker morning, with the Nasdaq composite, heavily weighted towards computer stocks, falling 5.27 to 1207.61. Cisco Systems, the largest of the computer networking companies, was chiefly responsible as its shares fell $2⅝ to $47¼. Intel, the largest of the semiconductor manufacturers, was healthier, gaining $1⅞ at $132¼.

The bond market's tough morning, triggered by strong industrial production figures that revived fears of further interest rate rises, exerted its toll on financial stocks. BankAmerica, which announced earnings in excess of expectations, saw its shares fall $2¾ to $103⅜, while Chase Manhattan, the largest US bank, slipped $4 to $88⅛.

Charles Schwab, the brokerage, whose results came in ahead of expectations, fell $2⅛ to $32. The company has taken the lead in direct low-price marketing of mutual funds, but announced a fall-off in the demand for its products during March.

TORONTO ended modestly higher after a morning session of steady gains by most leading stocks. At noon, the 300 composite index was up 6.55 at 5,750.10.

Royal Bank of Canada rose 25 cents to C$52.10 and Toronto-Dominion Bank added 35 cents to C$37.35. Among industrials, Alcan Aluminium gained 50 cents to C$45.20.

Bre-X Minerals came off 5 cents to C$2.18.

MEXICO CITY moved lower at the opening bell but quickly recovered its poise on the back of ADR buying in New York. Telmex was a clear beneficiary in this respect, adding 18 centavos to 16.45 pesos. At midsession, the IPC index was up 29.40 at 3,834.50.

SANTIAGO stayed in the doldrums as investors continued to worry about the government's energy saving plans.

"If it does not rain soon, companies like Endesa will have to keep buying electricity from other producers which will push up costs," said one broker. At midsession, the Ipsa index was up 0.04 at 116.10.

Golds push South Africa lower

A shake-out for golds pushed shares lower in Johannesburg where the all-share index closed off 20.5 at 6,976.8.

The golds index fell for the fourth day running, ending off 17.8 to 1,252.6 after the bullion price slipped below $340. At one stage, bullion touched its lowest level for four years. "Golds were the market's sick man today," said one broker.

Industrials, initially buoyed by the overnight gains on Wall Street, turned in a steadier performance. The index closed off 9.2 at 8,28.3. South African Breweries fell R2.25 to R132.

Emerging markets: IFC weekly investable price indices

		Dollar terms			Local currency terms		
Market	No. of stocks	April 11 1997	% Change over week	% Change on Dec '96	April 11 1997	% Change over week	% Change on Dec '96
Latin America	(250)	625.82	−0.3	+7.7			
Argentina	(30)	984.69	−3.8	+3.6	603,881.36	−3.8	+3.6
Brazil	(68)	501.83	−1.0	+26.6	1,988.12	−1.0	+29.0
Chile	(46)	713.72	+0.4	+15.1	1,198.81	+0.9	+13.7
Colombia[1]	(14)	807.87	+3.1	+27.6	1,514.84	+2.7	+34.3
Mexico	(64)	583.78	+0.4	+10.2	1,993.32	−0.2	+10.9
Peru[2]	(19)	239.19	+2.7	+21.6	388.71	+2.8	+24.4
Venezuela[3]	(9)	701.87	+1.8	−3.6	7,712.27	+1.9	−3.3
Asia	(710)	248.13	+0.2	−1.8			
China[4]	(27)	75.12	+4.5	+1.9	78.68	+4.5	+1.9
South Korea[5]	(156)	75.17	−0.2	−2.7	88.24	−0.1	+2.8
Philippines	(42)	267.93	−3.0	−8.7	341.21	−3.0	−8.5
Taiwan, China[6]	(90)	178.52	+3.0	+16.5	185.04	+3.2	+16.9
India[7]	(78)	90.64	+1.7	+15.1	115.40	+1.7	+15.1
Indonesia[8]	(49)	120.22	+0.2	−5.8	157.11	+0.2	−4.1
Malaysia	(148)	315.52	−0.4	−6.3	291.76	+0.3	−7.0
Pakistan[9]	(28)	233.31	−3.0	+19.2	426.21	−3.0	+19.2
Sri Lanka[10]	(5)	100.75	+0.6	+6.0	129.33	+1.4	+9.9
Thailand	(87)	191.14	+0.4	−13.7	197.98	+0.8	−12.2
Euro/Mid East	(264)	156.06	−1.2	+15.5			
Czech Rep	(7)	66.37	−0.4	−5.4	65.93	+3.4	+3.8
Egypt	(16)	105.80	+0.8	–	105.69	+0.8	–
Greece	(54)	326.01	−1.0	+34.5	596.67	+1.3	+47.8
Hungary[11]	(12)	234.68	+1.0	+19.3	509.72	+3.4	+33.2
Jordan	(7)	188.27	+1.3	+0.8	280.97	+1.3	+0.7
Morocco	(5)	130.05	+0.7	–	134.63	+2.6	–
Poland[12]	(30)	733.54	+2.0	+0.2	1,441.06	+3.6	+9.3
Portugal	(28)	156.05	−0.3	+6.8	184.87	+2.2	+18.6
Russia	(15)	108.19	+1.4	–	110.61	+1.6	–
Slovakia	(5)	112.47	−3.2	–	115.98	−1.1	–
South Africa[13]	(63)	234.29	−0.3	+12.3	215.22	+0.5	+6.8
Turkey[14]	(58)	202.85	−6.8	+36.5	12,578.56	−4.7	+65.0
Zimbabwe[15]	(5)	578.59	+0.4	+22.2	962.22	+0.8	+27.5
Composite	(1224)	317.70	−0.3	+7.7			

Indices are calculated at end-week: weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 6 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10) Dec 31 1992; (11)Dec 31 1993; (12)Dec 31 1992; (13)Dec 31 1992; (14)Dec 31 1992; (15)Aug 2 1993; (16) July 2 1993.

The two-year bull trend in emerging markets is unlikely to end as a result of the upward tendency in US interest rates or the accompanying correction in the US equity market, according to Mr Geoffrey Dennis, global emerging markets strategist at HSBC James Capel, *writes Michael Morgan*.

He believes that the deterioration in monetary conditions – the biggest test for the emerging markets since March 1975 – was likely to be short-lived.

The overall rise in US rates was unlikely to be more than 75 basis points and, with bond markets partly discounting the Fed's action, there was little threat to world economic growth.

Mr Dennis says that after a pause of three to six months, during which emerging market returns were likely to be low, ideal global liquidity conditions should be restored with the resumption of the fully fledged bull trend in emerging markets.

After a dollar-adjusted first-quarter gain of 9 per cent, James Capel's projections on all markets tend to suggest full-year gains on the IFC Investable index of some 26 per cent, and 33 per cent over the next 12 months.

Mr Dennis says that although Asian markets are cheap, they are likely to see at least one more quarter of underperformance as the dollar remains strong and there is a further possible delay to the easing of monetary conditions.

But in Latin America the strong dollar, increased flows from US investors and sustainable improvements in economic growth should continue to supply upward momentum.

Elsewhere, European, Middle Eastern and African emerging markets are also expected to continue to outperform.

Frankfurt muted on Daimler results

EUROPE

Leading bourses chose to ignore the dramatic overnight gains on Wall Street, and mostly drifted sideways in dull volume before slipping away towards the close.

FRANKFURT spent most of the session mulling over the Daimler-Benz results, which had a lot to live up to after a 50 per cent surge in the shares since November.

In the event, a DM1.15 rise to DM138.15 was seen as fairly muted. "It would appear that the numbers simply do not contain enough positive surprises," said one broker.

Degussa was the day's top performer, advancing DM33.50 or 4.5 per cent to DM774.5 after a buy recommendation from J.P. Morgan. Thyssen stayed positive on talk of a disposal, possibly its 30 per cent stake in the E-Plus mobile phone business. The shares added DM4.80 to DM388.8.

On the downside, MAN, up 5.5 per cent on Tuesday, ran into profit-taking, retreating DM4.30 to DM500, while Hochtief came off 60 pfg to DM69.50 after a cut in the dividend.

Porsche jumped DM120 to DM2,150 after Lehman Brothers said that the shares were the best buy in the motor sector and set a target price of DM3,000 for the stock.

FTSE Actuaries Share Indices

Apr 16							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FTSE Eurotrack 100	2184.38	2183.96	2183.34	2182.68	2182.77	2184.22	2178.96	2178.74
FTSE Eurotrack 200	2207.31	2206.55	2203.89	2203.17	2202.86	2203.45	2199.52	2201.84

	Apr 15	Apr 14	Apr 11	Apr 10	Apr 9
FTSE Eurotrack 100	2172.03	2145.23	2170.67	2170.14	2169.11
FTSE Eurotrack 200	2200.37	2169.78	2193.75	2193.00	2192.60

Base value 1000 (26/10/90). High/day: 100 - 2185.08 200 - 2208.72 Low/day: 100 - 2178.33 200 - 2198.50. † Partial.
© FTSE International Limited 1997. All rights reserved.

At the close the Dax index was 21.72 lower at an Ibis-indicated 3,347.54.

AMSTERDAM ended off 6.79 at 729.58 on the AEX index, led lower by a 3 per cent fall at VNU and another bad day for BolsWessanen.

VNU ended off Fl 1.30 at Fl 38.10 while Bols shed Fl 1.10 to Fl 35.80. Oce-van der Grinten, which went ex a dividend of Fl 2.10, slid Fl 11.50 to Fl 227.80 after disappointing results.

Randstad was a strong feature, advancing Fl 4.100 to Fl 165.50 on renewed talk of a takeover by Manpower of the US.

PARIS managed to cling on to the upside with the CAC 40 index finishing 0.34 better at 2,620.97 in spite of widespread rumours of an imminent general election.

Bic topped the performance charts, rising FFr22.00 or 2.6 per cent to FFr868 following strong first-quarter sales plus news of a two-for-one share split.

At 3.2m shares, volume stayed in the doldrums and much of the day's action was concentrated among second liners. Sommer-Allibert rose FFr4.40 to FFr198 after more than 1 per cent of the group changed hands in two blocks of shares.

ZURICH ran out of steam after a firm opening and the SMI index finished down 17.8 at 4,625.6.

Holderbank lost SFr21 to SFr1,116, reflecting disappointment at the news which came after the market closed on Tuesday that the cement manufacturer planned to take provisions totalling SFr450m.

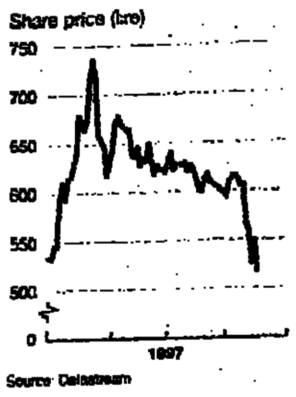
Analysts complained that the news had taken the market by surprise and that the company should have given an earlier indication of its plans.

Novartis eased SFr5 to SFr1,780 although traders said that they expected good first-quarter sales figures from the company today.

Specialty chemicals gained on continued investor interest, with Clariant, up SFr1 at SFr800, continuing to be favoured over Ciba SC, 25 centimes weaker at SFr122.75.

Olivetti

Share price (lire)



Source: Datastream

Ascom lost SFr15 at SFr1,525 after it reported a 1996 net loss.

MILAN was mixed as strong gains by Telecom Italia Mobile and a steady performance by Eni, the energy group, helped the indices up in a market still dominated by expectations of a cut in interest rates. The Comit index rose 4.83 to 773.85 and the real-time Mibtel index picked up 52 to 12,372.

Olivetti took a heavy pounding after Tuesday's announcement of a capital restructuring and disappointing first-quarter performance.

The shares were suspended limit down at one stage and their trading range extended to 15 per cent. But by the close they had recovered some of the losses to stand L36.5 down on the day at L518.1.

Mediobanca and BCI went into sharp reverse as both banks strongly denied reports earlier in the week that they planned to merge. Analysts said, however, that the denials had not entirely scotched the speculation, which drove the shares sharply higher earlier in the week. Some investors still believed that an alliance could not be entirely ruled out. Mediobanca lost L259 to L10,813 and BCI was L105 down at L3,390.

Tim picked up L138 to L5,074 in a largely weaker sector on expectations that the company stood to gain from continued delays by the government in seeking bids for a third mobile telephone operating licence.

Eni added L108 to L8844 in a continued recovery after the losses which followed the announcement of a placement of a third tranche of government held shares.

WARSAW extended Tuesday's gain, continuing to take its lead from Wall Street, and the Wig index rose 243 or 1.5 per cent, to 16,281.5. Turnover was virtually flat at 174.3m zlotys.

Written and edited by Michael Morgan and Jeffrey Brown

Properties fuel 1.9% Hong Kong surge

ASIA PACIFIC

The overnight performance on Wall Street provided the catalyst for a 1.9 per cent jump in **HONG KONG**, where the Hang Seng index climbed 239.29 to 12,581.31, but off its high for the day of 12,613.86. Turnover jumped to a hefty HK$10.2bn.

Analysts said that the Hang Seng surged from the start, stimulated by expectations of strong short-covering demand for derivative issues, and a feeling that recent declines were overdone.

Recently weak properties led the market. Henderson Land and Cheung Kong each gained HK$2.25, to HK$65.00 and HK$66.75 respectively.

TOKYO saw strong performances by banks, securities houses and real estate issues, which helped the market to a modestly higher finish in a busy session, although the gains were due largely to technical factors and bargain-hunting, *writes Gwen Robinson*.

The Nikkei 225 average closed 97.61 higher at 18,031.20 after moving between 17,959.20 and 18,093.91. Trading opened on a firm note, encouraged by New York's steep advance overnight.

Many investors bought back shares of brokers, banks, realtors and construction companies that had been heavily sold in recent sessions. Bank shares were also helped by renewed assurances from Japan's finance ministry that none of the top 20 banks would be allowed to fail.

Volume swelled from 396m to an estimated 504m shares. Advances led declines 811 to 302, with 135 unchanged. The Topix index of all first-section stocks added 14.10 to 1,356.50 and the capital-weighted Nikkei 300 was up 2.61 at 263.45.

In London, the ISE-Nikkei 50 index rose 1.12 to 1,453.26.

Financial issues were among the day's winners, with Nomura Securities jumping Y70 to Y1,190 after sliding steadily in recent sessions following disclosures last month about its illegal stock trading activities. Yamaichi Securities added Y21 to Y332 on news that it would merge its two troubled broking affiliates with one or two other smaller securities houses in the Yamaichi group.

Nippon Credit Bank, which reversed its downward slide on news last week of a tie-up with Bankers Trust, edged up Y1 to Y252. Bank of Tokyo-Mitsubishi rose Y60 to Y1,900 and Fuji Bank Y60 to Y1,360.

Real estate issues and general contractors also advanced, Mitsubishi Estate adding Y20 to Y1,480 and Mitsui Fudosan Y20 to Y1,350. Obayashi gained Y12 to Y607.

By contrast, blue chip electricals and high-technology issues retreated after recent gains on the dollar's climb against the yen, as investors took profits. Sony fell Y90 to Y8,920 and TDK slid Y140 to Y8,690. Tokyo Electron fell Y100 to Y4,500 and Advantest, Y120 to Y6,770.

In Osaka, the OSE average added 117.40 to 18,896.47 and volume rose to 37.5m shares.

TAIPEI moved ahead strongly in early trading, reaching a session best of 8,714.28 on the weighted index before succumbing to profit-taking.

Early trading was dominated by the overnight gains on Wall Street and turnover was again heavy at T$186bn. But in the final hours the profit-takers moved in and the index finished marginally lower, off 1.33 at 8,614.78.

Electronics improved but the heavily weighted financials eased 0.14 per cent.

SYDNEY moved higher, helped by good demand for banks. The All Ordinaries index added 24.7 or 1 per cent to 2,406.4.

NAB gained 23 cents to A$16.11 and ANZ 15 cents to to A$7.87. Westpac put on 9 cents to A$6.71.

SEOUL edged ahead, although sentiment turned bearish due to financial difficulties at Ssangyong Motor and the Jinro Group. The composite index ended 1.03 higher at 702.42.

Ssangyong Motor dropped Won250 to Won5,550 after the company said that it was considering selling its headquarters building and other assets to pay off heavy debts. The surprise announcement followed a similar asset sale plan unveiled on Tuesday by the Jinro Group.

Royal PTT Nederland NV *with its registered office in Groningen (The Netherlands)*

kpn

Invitation to attend

The Annual General Meeting of Shareholders of Royal PTT Nederland NV

to be held on Tuesday May 6, 1997
at 2 p.m. in De Oosterpoort,
Trompsingel 27, Groningen,
The Netherlands

The agenda for the annual general meeting is as follows:

1. Opening and announcements
2. 1996 annual report of the Board of Management
3. Approval of the 1996 financial statements
4. Appointment of members of the Supervisory Board
5. Authorization of the company to acquire its own shares
6. Appointment of auditor
7. Questions and close.

The complete agenda, including explanatory notes, financial statements, the annual report and other information as referred to in article 392 (1) of Book 2 of the Dutch Civil Code, are available for inspection by shareholders and other persons entitled to attend the meeting at KPN headquarters, Stationsplein 7, Groningen and the ABN AMRO Bank N.V. office, Herengracht 595, Amsterdam and can be obtained free of charge. The information as referred to in article 142 (3) of Book 2 of the Dutch Civil Code is available for inspection by shareholders and other persons entitled to attend the meeting at KPN headquarters in Groningen and at the above office of ABN AMRO Bank N.V. in Amsterdam.

Holders of registered ordinary shares who wish to attend the meeting must notify the Board of Management in writing on or before May 1, 1997.

Holders of bearer shares who wish to attend the meeting must deposit their shares on or before May 1, 1997 with ABN AMRO Bank N.V. at the above office. The previous sentence also applies to persons who are entitled to attend the meeting by virtue of a usufruct or pledge established on shares.

The right to attend the meeting can be exercised by a written proxy, for which purpose forms can be obtained from the above addresses free of charge.
The written proxy must be received by the Board of Management or the above office of ABN AMRO Bank N.V. on or before May 1, 1997.

Persons entitled to attend the meeting may be asked for identification prior to being admitted.
You are therefore asked to carry a valid identity document with a photo such as a passport or driver's licence.

Arrangements have been made for transport from the main railway station in Groningen to the Oosterpoort conference centre.
The Oosterpoort is open from 12.30 p.m.

The Board of Management

Groningen, April 17, 1997
Stationsplein 7

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND REGIONAL MARKETS	TUESDAY APRIL 15 1997								MONDAY APRIL 14 1997					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (76)	214.93	0.1	196.03	171.64	193.74	184.21	0.5	4.13	214.66	196.14	171.43	192.32	183.22	225.77	188.44	206.73
Austria (24)	175.14	−0.4	159.75	139.87	157.88	157.83	0.2	1.96	175.85	160.68	140.44	157.55	157.49	195.04	174.70	184.07
Belgium (26)	229.19	0.6	209.04	183.03	206.60	202.18	1.4	3.53	227.73	208.08	181.86	204.02	199.39	241.54	205.89	208.84
Brazil (30)	239.40	0.3	218.36	191.18	215.81	467.15	0.4	1.09	238.57	217.98	190.52	213.74	465.39	247.23	153.40	153.85
Canada (114)	180.99	1.5	165.07	144.53	163.15	182.63	1.3	2.13	178.32	162.93	142.40	159.76	180.52	203.31	154.12	160.90
Denmark (32)	348.27	−0.6	317.66	278.12	313.95	312.61	0.0	1.62	350.51	320.27	279.92	314.03	312.85	376.98	291.89	296.01
Finland (28)	243.90	0.2	222.45	194.77	219.86	265.82	1.1	1.72	243.38	222.38	194.35	218.03	262.83	268.58	175.87	175.87
France (91)	216.05	1.4	197.06	172.53	194.75	197.61	2.0	2.88	213.09	194.70	170.17	190.91	193.73	226.25	186.94	193.88
Germany (59)	194.68	0.7	177.56	155.46	175.49	175.49	1.3	1.61	193.39	176.70	154.44	173.26	173.26	207.65	164.47	172.72
Hong Kong (66)	446.91	0.2	407.62	356.89	402.86	444.64	0.2	3.41	445.82	407.35	356.03	399.42	443.56	514.49	407.55	430.13
Indonesia (27)	223.74	−0.5	204.07	178.67	201.68	330.23	−0.4	1.61	224.88	205.47	179.59	201.47	331.64	–	–	–
Ireland (16)	325.22	0.9	296.63	259.71	293.16	297.59	1.1	3.20	322.44	294.62	257.51	288.88	294.37	343.35	267.40	267.40
Italy (59)	88.18	1.5	80.43	70.42	79.49	112.28	2.2	2.12	86.86	79.37	69.37	77.82	109.90	96.32	73.26	75.98
Japan (485)	109.21	1.2	99.61	87.21	98.44	87.21	1.2	0.89	107.94	98.63	86.20	96.71	86.20	164.68	107.57	155.74
Malaysia (107)	534.46	−2.0	487.47	426.81	481.78	517.38	−1.8	1.24	545.44	498.38	435.60	488.67	527.06	660.85	512.47	581.87
Mexico (27)	1369.36	0.8	1248.97	1093.54	1234.38	11800.83	0.5	1.17	1359.16	1241.89	1085.44	1217.70	11741.19	1445.68	1110.35	1259.57
Netherland (19)	336.51	1.9	306.93	268.73	303.34	299.35	2.5	2.62	330.32	301.82	263.80	295.94	292.07	357.18	279.88	291.19
New Zealand (14)	83.89	0.2	76.52	66.99	75.62	64.80	0.8	4.38	83.75	76.53	66.89	75.04	64.26	95.80	75.94	81.73
Norway (41)	296.23	1.0	270.18	236.56	267.03	281.89	1.7	2.17	293.31	268.00	234.24	262.78	277.24	321.23	243.32	244.12
Philippines (22)	179.22	0.7	163.48	143.12	161.55	235.43	0.7	0.76	177.96	162.61	142.12	159.44	233.80	–	–	–
Singapore (43)	378.86	−0.5	345.55	302.55	341.52	251.93	−0.4	1.12	380.74	347.89	304.06	341.11	252.92	449.15	371.28	442.37
South Africa (44)	355.56	0.5	324.30	283.94	320.51	346.69	0.6	2.42	353.76	323.24	282.52	316.94	344.66	381.77	301.49	362.44
Spain (35)	215.65	1.7	196.69	172.21	194.39	238.56	2.4	2.75	212.04	193.75	169.34	189.97	232.95	228.16	171.91	172.97
Sweden (49)	422.51	1.5	385.36	337.41	380.88	482.13	2.6	2.16	416.14	380.23	332.33	372.82	469.94	448.64	334.35	337.73
Switzerland (36)	255.53	0.8	233.06	204.06	230.34	233.08	1.0	1.40	253.38	231.52	202.35	227.01	230.68	262.41	229.36	238.25
Thailand (43)	84.41	0.0	76.99	67.41	76.09	85.44	0.0	3.65	84.40	77.11	67.40	75.61	85.44	188.23	73.98	183.40
United Kingdom (211)	278.06	0.9	253.61	222.05	250.65	253.61	0.8	3.88	275.44	251.67	219.97	246.77	251.67	285.30	228.85	231.46
USA (653)	308.33	1.4	279.40	244.63	276.14	308.33	1.4	1.97	302.07	276.01	241.24	270.63	302.07	331.54	254.79	261.69
Americas (824)	280.39	1.4	255.74	223.91	252.75	236.18	1.4	1.96	276.53	252.67	220.84	247.75	232.96	303.45	233.09	239.26
Europe (726)	240.99	1.1	219.80	192.45	217.23	225.07	1.4	2.80	238.44	217.87	190.42	213.62	222.00	248.97	204.71	207.39
Nordic (150)	362.24	0.9	330.39	289.28	326.53	357.77	1.9	2.02	358.82	327.86	286.55	321.47	351.14	385.85	288.61	289.57
Pacific Basin (883)	128.17	0.8	116.91	102.36	115.54	100.72	0.8	1.44	127.18	116.20	101.56	113.94	99.89	177.01	127.18	169.04
Euro-Pacific (1609)	175.19	0.9	159.78	139.90	157.92	147.84	1.1	2.22	173.56	158.57	138.60	155.48	145.99	191.51	173.55	184.91
North America (767)	298.63	1.4	272.37	238.48	269.19	298.16	1.4	1.98	294.46	269.05	235.16	263.81	294.03	323.69	246.65	255.42
Europe Ex. UK (515)	215.80	1.1	196.82	172.33	194.53	204.57	1.7	2.19	213.38	194.97	170.41	191.17	201.08	224.70	185.65	189.21
Pacific Ex. Japan (398)	287.01	−0.3	261.77	229.20	258.72	250.16	−0.1	2.96	287.80	262.97	229.84	257.85	250.43	320.65	269.97	292.35
World Ex. US (1824)	178.62	0.9	162.92	142.64	161.02	153.45	1.1	2.20	176.94	161.67	141.31	158.52	151.74	193.47	176.94	186.07
World Ex. UK (2266)	213.67	1.2	194.89	170.63	192.61	191.62	1.3	1.89	211.16	192.94	168.63	189.18	189.13	228.59	199.58	206.97
World Ex. Japan (1992)	275.21	1.2	251.01	219.78	248.08	266.68	1.3	2.31	272.05	248.57	217.26	243.73	263.33	292.72	233.10	238.98
The World Index (2477)	219.13	1.2	199.86	174.99	197.53	197.21	1.3	2.09	216.61	197.92	172.98	194.06	194.76	233.38	202.32	209.17

Copyright, FTSE International Limited, Goldman, Sachs and Co. and Standard & Poor's. 1997. All rights reserved. "FT/S&P Actuaries" is a joint trademark of The Financial Times Limited and Standard & Poor's.

PLEASE NOTE: Amendments to indices 15/4/97, 14/4/97 & 11/4/97, applied to USA, related regional indices and The World Index. Market closed 15/4/97: Thailand. Latest prices were unavailable for this edition.

To Advertise

Your Legal Notices

Please contact

Melanie Miles on

Tel: +44 0171 873 3349

Fax: +44 0171 873 3064

US$150,000,000

Espirito Santo
Financial Holding S.A.
Floating Rate Notes due 2000

Notice is hereby given that for the three month period from April 17, 1997 to July 17, 1997 the Notes will carry an interest rate of 6.35156% per annum. The interest amount payable on the interest payment date, July 17, 1997 will be U.S. $160.58 for Notes in denominations of U.S. $10,000.

By: The Chase Manhattan Bank
London, Agent Bank
April 17, 1997
CHASE

CIVAS International Limited
(incorporated with limited liability in the Cayman Islands)
Series Civas 20 ¥2,750,000,000
Secured Floating Rate Notes due 1998/9

Tranche D: ¥550,000,000 due 1998 [illegible]
Tranche E: ¥550,000,000 due 1999 [illegible]

Interest period on each Tranche D to E Notes will run from April 17, 1997 to October 17, 1997. The Notes are denominated in Yen 10,000,000.

April 17, 1997, London
By: Citibank, N.A. (Corporate Agency & Trust), Agent Bank
CITIBANK